

# **Mora Funds SICAV**

*Société d'investissement à capital variable*  
**Organized under the laws of the Grand Duchy of Luxembourg**

**Prospectus**

**October 2018**

8-10, rue Jean Monnet,  
L-2180 Luxembourg  
Grand Duchy of Luxembourg  
RCS Luxembourg B 157.613

## IMPORTANT INFORMATION

**Shares are not being offered or sold in any jurisdiction where the offer or sale is prohibited by law or to any person who is not qualified to participate in the purchase of shares.**

***Unless otherwise stated, all capitalized terms used in this Prospectus are defined under Section "Glossary of Terms".***

### **General**

The SICAV is an investment company with variable share capital incorporated and authorized under Part I of the 2010 Law in accordance with the provisions of the UCITS Directive under the 2010 Law and listed on the official list of UCITS, held with the CSSF, having an umbrella structure.

However, this listing does not require an approval or disapproval of a Luxembourg authority as to the suitability of the investment or to the accuracy of this Prospectus (including its Supplements in Appendix B to this Prospectus) or any KIIDs generally relating to the SICAV or specifically relating to any Sub-Fund. Any declaration to the contrary should be considered as unauthorized and illegal.

The members of the Board of Directors, whose names appear under the heading "*Directory*" accept joint responsibility for the information and statements contained in this Prospectus (including its Supplements in Appendix B to this Prospectus ) and in the KIID for each share class. To the best of the knowledge and belief of the Directors (who have taken all reasonable care possible to ensure that such is the case), the information and statements contained in this Prospectus (including its Supplements in Appendix B to this Prospectus) and in the KIID are accurate at the date indicated on this Prospectus (including its Supplements in Appendix B to this Prospectus) and on the KIID and there are no material omissions which would render any such statements or information inaccurate as at that date.

The Prospectus (including its Supplements in Appendix B to this Prospectus) and the KIID will be updated from time to time to take into account any material changes in the characteristics of the SICAV (including, but not limited to the issue of new Sub-Funds and new classes of Shares). Therefore, prospective investors should inquire as to whether a new version of this Prospectus (including its Supplements in Appendix B to this Prospectus) has been prepared and whether the KIID is available.

### **Investor Responsibility**

Prospective investors should review this Prospectus (including its Supplements in Appendix B to this Prospectus) and the relevant KIID carefully in its entirety and consult with their legal, tax and financial advisors in relation to (i) the legal requirements within their own countries for the subscription, holding, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscription, holding, redemption or disposal of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, holding, redeeming or disposing of Shares; and (iv) the suitability for them of an investment in Shares. Prospective investors should seek the advice of their legal, tax and financial advisors if they have any doubts regarding the contents of this Prospectus and each relevant Supplement and KIID.

**You are reminded that this Prospectus (including its Supplements in Appendix B to this Prospectus) has been delivered to you on the basis that you are a person to whom this Prospectus (including its Supplements in Appendix B to this Prospectus) may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Prospectus (including its Supplements in Appendix B to this Prospectus) to any other person.**

### **Availability of the SICAV**

The SICAV is available to both retail (natural persons and legal entities) or Institutional Investors. The profile of the typical investor for each Sub-Fund is described in the KIID and in the description of each relevant Sub-Fund in its relevant Supplement in Appendix B hereto.

### **Distribution and Selling Restrictions**

No persons receiving a copy of this Prospectus (including its Supplements in Appendix B to this Prospectus) or the KIID in any jurisdiction may treat this Prospectus (including its Supplements in Appendix B to this Prospectus) or the KIID as constituting an invitation to them to consider subscribing for Shares unless the Shares are registered for distribution in the relevant jurisdiction or such an invitation can lawfully be made without compliance with any registration or other legal requirements.

Shares may not be purchased or held by or for the benefit of U.S. Persons.

### **Reliance on this Prospectus (including its Supplements in Appendix B to this Prospectus) and on the KIID**

**Shares in any Sub-Fund described in this Prospectus (including its Supplements in Appendix B to this Prospectus) as well as in the KIID are offered only on the basis of the information contained therein and (if applicable) any addendum thereto and the latest audited annual financial report and any subsequent semi-annual financial report of the SICAV.**

Any further information or representations given or made by any distributor, sub-distributor, Intermediary, dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorized to give any information or to make any representation in connection with the SICAV, any Sub-Fund or the offering of Shares other than those contained in this Prospectus (including its Supplements in Appendix B to this Prospectus) and the KIID and (if applicable) any addendum hereto and in any subsequent semi-annual or annual financial report for the SICAV and, if given or made, such information or representations must not be relied on as having been authorized by the Directors, the Management Company, the Investment Manager, the Depositary or the Administrative Agent. Statements in this Prospectus (including its Supplements in Appendix B to this Prospectus) and in the KIID are based on the law and practice currently in force in Luxembourg at the date hereof and are subject to change. Neither the delivery of this Prospectus (including its Supplements in Appendix B to this Prospectus) or of the KIID nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the SICAV have not changed since the date hereof.

Applications for Shares will only be considered on the basis of this Prospectus. Copies of the Articles of Incorporation, the current Prospectus, the KIIDs and the latest periodical reports (audited annual report and unaudited semi-annual report) may be obtained free of charge from the registered office of the SICAV during normal business hours on any Business Day.

Copies of this prospectus, the KIIDs and the latest periodical reports of the SICAV are also available online at [www.morabanc.ad](http://www.morabanc.ad) and [www.structuredinvest.lu](http://www.structuredinvest.lu) and at the registered office of the SICAV along with certain practical information.

The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the SICAV have not changed since the date hereof.

**A KIID for each available Class of Shares must be made available to investors free of charge prior to their subscription for Shares. Prospective investors must consult the KIID for the relevant Class of Shares in which they intend to invest. Requests for subscription or conversion of Shares will be accepted upon verification by the Management Company that the (prospective) Shareholder has received the relevant KIID available as mentioned above.**

## **Investment Risks**

Investment in any Sub-Fund carries with it a degree of financial risk, which varies between Sub-Funds. The value of Shares and the return generated from them may go up or down, and investors may not recover the amount initially invested. Investment risk factors for an investor to consider are set out under Section "Risks Consideration" of this Prospectus as well as in the description of each Sub-Fund in the relevant Supplement to this Prospectus.

Investors should however pay particular attention to the following risks:

### ***Investment and Trading Risks in General***

All securities investments (whether direct or indirect) involve a risk of loss of capital. The investment program of the Sub-Funds may at times entail limited portfolio diversification of exposure to investments, which can, in certain circumstances, substantially increase the impact of adverse price movements in the investments on the value of Shares in the Sub-Funds. In addition, the value of assets comprised in the Sub-Funds is subject to the risk of broad market movements that may adversely affect the performance of the Sub-Funds. Factors that may influence the market price of assets comprised in the Sub-Funds include economic, military, financial, regulatory, political and terrorist events. No guarantee or representation can be made as to the future success of the investment program of the Sub-Funds.

### ***Counterparty risk***

Where cash comprised in a Sub-Fund is held by a counterparty, it may not be treated as client money subject to the protection conferred by any rules in the relevant jurisdictions as to the holding of clients' cash and accordingly may not be segregated; in these cases, it could be used by the counterparty in the course of its investment business and the relevant Sub-Fund may therefore rank as an unsecured creditor in relation to that cash.

The Sub-Funds will be exposed to a credit risk on the counterparties with which they may trade in relation to non-exchange traded futures, options, contracts for differences and swaps. Non-exchange traded futures, options, contracts for differences and swaps are agreements specifically tailored to the needs of an individual investor that enable the user to structure precisely the date, market level and amount of a given position. Non-exchange traded futures, options, contracts for differences and swaps are not afforded the same protection as may apply to participants trading futures, options, contracts for differences or swaps on organized exchanges, such as the performance guarantee of an exchange clearing house. The counterparty for these agreements will be the specific company or firm involved in the transaction, rather than a recognized exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which the Sub-Fund trades such non-exchange traded futures, options, contracts for differences and swaps could result in substantial losses to the Sub-Fund.

The Sub-Funds will be exposed to a credit risk on counterparties with whom they deal in securities, and may bear the risk of settlement default.

## **Data Protection**

In accordance with the provisions of the law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended, the Management Company and the SICAV have to inform Shareholders that their personal data is kept by means of a computer system.

The Management Company, as well as the sub-fund service providers and intermediaries or (sub-) investment managers of the sub-funds, shall collect, store and process electronically and in other ways in accordance with the Luxembourg Law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data in the respectively valid version., the data provided by investors, in particular the name, contact information (including postal or e-mail address), bank details, the amount invested and holdings ("Personal Data")

In accordance with Luxembourg law, all investors wishing to make an initial investment in a sub-fund (including natural persons, corporations and financial intermediaries) must provide proper and sufficient proof of identity prior to the initial subscription for units being accepted. Prior to an application being accepted, further information may be required from the investor and a subscription or redemption application may be suspended or rejected in the event that its verification leads to justified doubts regarding the identity of the investor or the genuine nature or legal validity of such an order.

It is therefore obligatory that any questions directed at the investor in conjunction with the application to subscribe or redeem units are answered. Failure to respond may result in the application being rejected. This data shall be used for record-keeping purposes, for processing orders, for answering queries and for the provision of information on further products and services and in particular to comply with the applicable anti-money laundering rules and other regulations in force, such as the FATCA and the CRS and may, where necessary, be forwarded to and processed by external service-providers.

No confidential information relating to investors shall be disclosed to unauthorised third parties, especially not outside the European Union.

Investors may inspect their data and also have the right to correct or revoke any information contained in their file and if necessary to impose restrictions on the processing of data  
This data shall be kept on file for the term of the contract and shall be stored for the period prescribed by law

Investors could write to the following address to assert their rights:

Structured Invest S.A.  
8–10, rue Jean Monnet  
L-2180 Luxembourg  
Phone +352 248248 00  
Fax +352 248248 05  
Info@unicredit.lu

For additional copies of this Prospectus or copies of the relevant KIID or of most recent annual and semi-annual financial reports of the SICAV or the Articles of Incorporation or for any queries you may have on how to invest, please write to the registered address of the Management Company at 8-10, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

### **“Solvency II”**

The Management Company may, upon request and within a delay which shall not be less than forty-eight (48) hours after the latest publication of the net asset value, communicate the composition of the portfolio of the SICAV to professional investors who are subject to the obligations deriving from Solvency II.

The information so transmitted shall be considered as strictly confidential and shall be used only for the purpose of calculating prudential requirements in connection with Solvency II. They may under no circumstances entail prohibited practices such as "market timing" or "late trading" from shareholders having been provided with such information.

### **Regulation (EU) 2016/1011 of the European Parliament and of the Council ("Benchmark-Regulation")**

In the case of all (sub-) funds for which a benchmark serves as a reference, the Management Company shall ensure that only benchmarks by administrators are used who are registered in the ESMA Register or intend to register.

This register shall be published by ESMA in accordance with the provisions of the Benchmark-Regulation and can be viewed at <https://www.esma.europa.eu/benchmarks-register>.

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## DIRECTORY

### Board of Directors

#### **Maribel Tumi**

Chief Financial Officer Mora Gestió D'Actius –  
Member of Morabanc Group,  
residing professionally in Andorra

#### **Johannes Höring**

Managing Director  
Structured Invest S.A. - Member UniCredit  
residing professionally in Luxembourg

#### **Benoît Paquay**

Independent, Certified Director  
residing professionally in Luxembourg

### Management Company and Domiciliary Agent

#### **Structured Invest S.A.**

8-10, rue Jean Monnet,  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

### Board of Directors of the Management Company

#### **Christian Voit, Chairman**

**Amit Sharma**

**Dr. Rainer Krütten**

**Laurent Dupeyron**

**Stefan Lieser**

### Conducting Officers of the Management Company

**Stefan Lieser**

**Johannes Höring**

### Depository, Central Administration and Transfer Agent

#### **CACEIS Bank, Luxembourg Branch**

5, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### Investment Manager

#### **UniCredit International Bank (Luxembourg) S.A.**

8-10, rue Jean Monnet,  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

### Independent Auditor

#### **Deloitte Audit**

560, rue de Neudorf  
L-2220 Luxembourg  
Grand Duchy of Luxembourg



## GLOSSARY OF MAIN TERMS

"2010 Law"	The law of 17 December 2010 relating to UCIs, as may be amended
"Administrative Agent"	CACEIS Bank, Luxembourg Branch
"Articles of Incorporation"	The articles of incorporation of the SICAV, as may be amended from time to time
"Base Currency"	The currency a Sub-Fund
"Board" or "Board of Directors" or "Directors"	The members of the board of directors of the SICAV, for the time being and any duly constituted committee thereof and any successor to such members as may be appointed from time to time
"Business Day"	Each day on which banks and financial institutions in Luxembourg are generally open for business except for 24 and 31 December of each year
"CMO"	Collateralized mortgage obligation
"Company Law"	The Luxembourg law of 10 August 1915 on commercial companies, as amended
"Conversion Fee"	The conversion fee equal to the difference in percentage of the sales charges of the relevant Shares to which a conversion may be subject if Shares are converted for Shares of another class or Sub-Fund having a higher sales charge and to revert to the benefit of an Intermediary, if applicable, as determined by the Board of Directors
"CSSF"	The <i>Commission de surveillance du secteur financier</i> , the Luxembourg supervisory authority or its successor in charge of the supervision of the financial sector in the Grand Duchy of Luxembourg
"Depository"	CACEIS Bank, Luxembourg Branch
"Domiciliary Agent"	Structured Invest S.A.
"Derivatives"	Financial derivative instruments
"Distribution Fee"	The fee payable by the SICAV to the Distributor, as specified in this Prospectus
"Distributor"	Means an entity to which the distributor function has been delegated by the Management Company
"ETFs"	Exchange traded funds
"EU"	European Union
"Euro" or "EUR"	The legal currency of the countries participating in the European Economic and Monetary Union
"Feeder"	Feeder fund as defined in Appendix A to this Prospectus

"Grand-Ducal Regulation"	The Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the 2010 Law
"Group of Companies"	Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognized international accounting rules
"Independent Auditor"	Deloitte Audit
"Institutional Investors"	Institutional investors within the meaning of Article 174 of the 2010 Law, or as defined by guidelines or recommendations issued by the CSSF from time to time
"Intermediaries"	Financial institutions, sales agents, distributors, sub-distributors servicing agents or nominees appointed or approved from time to time by the SICAV and/or the Management Company as well as brokers, dealers or other parties that have entered into agreements with the SICAV and/or the Management Company
"Investment Manager"	UniCredit International Bank (Luxembourg) S.A
"Investment Management Fee"	The fee payable by the SICAV to the Investment Manager, as specified in this Prospectus.
"KIID" or "KIIDs"	The relevant key investor information document(s), in the meaning of the 2010 Law, issued for a Class of Shares, each, as may be amended from time to time
"Management Company"	Structured Invest S.A.
"Management Company Fee"	The fee payable by the SICAV to the Management Company as specified in this Prospectus
"Master"	Master fund as defined in Appendix A to this Prospectus
"Member State"	A member State of the EU. The States that are contracting parties to the agreement creating the European Economic Area other than the member States of the EU, within the limits set forth in this agreement and related acts, are considered Member States.
"Money Market Fund"	A money market fund within the meaning of ESMA (formerly CESR) guidelines 10-049
"Money Market Instruments"	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time and instruments eligible as money market instruments, as defined by 2010 Law and any regulations, circulars or guidelines issued by the CSSF from time to time

"Net Asset Value"	The Net Asset Value of each class within each Sub-Fund
"OECD"	Organization for Economic Cooperation and Development
"OECD Member States"	The member States of the OECD
"OTC"	Over-the-Counter
"Other Regulated Market"	Market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a State or by a public authority which has been delegated by that State or by another entity which is recognized by that State or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public
"Other State"	Any State of Europe which is not a Member State, any State of America, Africa, Asia, Australia and Oceania
"Paying Agent"	CACEIS Bank, Luxembourg Branch
"Performance Fee"	The fee that may be paid by the SICAV to the Investment Manager with respect to the performance of a Sub-Fund, as further provided under Section headed "Expenses, Fees and Costs" and in the relevant Supplement for a Sub-Fund in Appendix B to this Prospectus
"Permitted Fund"	In respect of an investment by a Sub-Fund, an investment in a UCITS or another UCI or such other eligible or permitted fund as may be allowed under the 2010 Law
"Permitted Investments"	Those Transferable Securities, Money Market Instruments, units/shares in Permitted Funds, deposits, Derivatives and other investments in which the SICAV may invest pursuant to the 2010 Law, the Articles of Incorporation and the current Prospectus
"Prospectus"	This prospectus, as may be amended from time to time
"Registrar and Transfer Agent"	CACEIS Bank, Luxembourg Branch
"Regulated Market"	a regulated market within the meaning of directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments
"Securities Act"	The U.S. Securities Act of 1933, as amended
"Shareholder(s)"	Holder or holders of Shares in the SICAV, as recorded in the books of the SICAV on file with the Registrar and Transfer Agent

“Share(s)”	A share or shares of any class within any Sub-Fund in the SICAV
“Short Term Money Market Fund”	A short-term money market fund within the meaning of ESMA (formerly CESR) guidelines 10-049
“SICAV”	Mora Funds SICAV
“Solvency II”	Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance
“Sub-Fund(s)”	A specific pool of assets established with the SICAV
“Supplement(s)”	The Supplement(s) to this Prospectus issued in relation to each Sub-Fund and which forms an integral part of this Prospectus
"Transferable Securities"	<ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares;</li> <li>- bonds and other debt instruments;</li> <li>- any other negotiable securities which carry the right to acquire any such Transferable Securities by subscription or exchange with the exclusion of techniques and instruments</li> </ul>
"UCI"	An undertaking for collective investment as defined by the 2010 Law
"UCITS"	An undertaking for collective investment in Transferable Securities under Article 1 (2) of the UCITS Directive
"UCITS Directive"	Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in Transferable Securities, as amended, in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions.
"United States" or "U.S."	The United States of America, its territories or possessions or any area subject to its jurisdiction including the Commonwealth of Puerto Rico
“USD”	The currency of the United States
"U.S. Person"	A person as defined in Regulation S of the Securities Act and thus shall include but not limited to, (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer, or other fiduciary for the benefit or account of a U.S. Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or

corporation if: (A) organized or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts; but shall not include (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States or (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and the estate is governed by foreign law.

This definition shall be amended to the extent required to comply with the Foreign Account Tax Compliance Act ("FATCA") so as to cover any US person as defined under FATCA and the related regulations. Should a Shareholder become a US Person, they may be subject to US withholding taxes and tax reporting.

"Valuation Day"

The day, as specified in each Supplement, under "Net Asset Value", as of which the Net Asset Value per Share of the Sub-Funds is calculated, in accordance with the provisions of Section "Determination of the Net Asset Value".

# THE SICAV

## SICAV

The SICAV has been incorporated on 5 November 2010 for an unlimited period of time as a *société d'investissement à capital variable* under the name of Mora Funds SICAV. The name of the SICAV was subsequently amended through notarial deed on 12 June 2015 into Amura Funds SICAV. Through notarial deed on 11 June 2018 the name was amended into its former name, Mora Funds SICAV

The minimum subscribed share capital of the SICAV, as provided by law and which must be achieved within six months after the date on which the SICAV has been authorized as a UCITS under Luxembourg law, shall be Euro 1,250,000.-.

The initial subscribed share capital of the SICAV amounted to Euro 300,000.-, divided into 300 Shares of no par value. The subscribed share capital of the SICAV is represented by fully paid up Shares of no par value. The subscribed share capital of the SICAV is at all times equal to the total net assets of all the Sub-Funds.

The Articles of Incorporation have been originally lodged with the Luxembourg companies and trade register and a publication of such deposit made in the *Mémorial C, Recueil des Sociétés et Associations* of 11 February 2011. They were last amended on 30 June 2018 through notarial deed, lodged with the Luxembourg companies and trade register on 2 July 2018 and a publication of such deposit was made in the *Mémorial C, Recueil des Sociétés et Associations* on 5 July 2018.

The registered office of the SICAV is located at 8-10, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

The SICAV has appointed Structured Invest S.A. as its designated management company, within the meaning of Part I of the 2010 Law. Further details on the Management Company are provided below under the section "Management Company".

The SICAV is recorded in the Luxembourg companies and trade register under the number B 157613.

## Investment options

The SICAV is an umbrella fund comprising multiple Sub-Funds, each having its own investment objectives and constituting a separate pool of assets and liabilities. For the time being, the SICAV offers Shares in the Sub-Funds as set forth under the heading "List of Available Sub-Funds" under Section "Investment Objectives and Policies" and in each relevant Supplement for a Sub-Fund in Appendix B to this Prospectus. Upon creation of (a) new Sub-Fund(s), the Prospectus will be amended.

Under Luxembourg law, the SICAV is a distinct legal entity. Although each of the Sub-Funds is not a distinct legal entity from the SICAV, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it with regard to third parties and, in particular, with regard to the SICAV's creditors and between Shareholders.

All Sub-Funds may offer more than one class of Shares. Each class of Shares within a Sub-Fund may have different features or be offered to different types of investors, but will form part of the assets of that relevant Sub-Fund. Upon creation of new classes of Shares, the relevant Supplement in Appendix B to this Prospectus shall be updated accordingly.

All references to a Sub-Fund, shall, where the context requires, include any class of Shares that belongs to such Sub-Fund.

## DESCRIPTION OF SHARES

### Share Characteristics

#### **Available classes**

Each Sub-Fund issues Shares in several separate classes of Shares, as set out in each Sub-Fund's description in the relevant Supplement in Appendix B to this Prospectus as well as under Section "The SICAV" above. Such classes of Shares differ with respect to the type of investors for which they are designed, as the case may be, their unit currency and as the case may be with respect to their fee structure and minimum investment amount required. The minimum investment amount required for each class of Shares within a Sub-Fund (if any) is specified in the relevant Supplement in Appendix B to this Prospectus for such Sub-Fund. The Board of Directors nevertheless reserves the right to accept subscriptions for amounts below the initial amount required.

The Board of Directors may decide to create additional classes of Shares at any time.

Shares of each Sub-Fund may be divided into the following classes of Shares: A, B and C Shares: A, B and C Shares within the respective Sub-Fund are intended for retail investors and may differ as to the minimum investment and holding amounts as indicated for each Sub-Fund in its Supplement in Appendix B to this Prospectus.

For each class of Shares described above, shares issued in currencies other than the Sub-Fund's Base Currency may be created. These Shares may be hedged or not hedged. For these non-hedged classes of Shares, fluctuations in currency exchange rates may affect the performance of such Shares independent of the relevant Sub-Fund's investments. At the time of this Prospectus, classes of Shares will be available as detailed below:

- A, B, C, A1, B1 and C1 Shares will be denominated in the relevant Base Currency;
- A2, B2 and C2 Shares will be denominated in USD.

#### **Shareholders' Rights**

All Shareholders have the same rights, regardless of the class of Shares held. Each Share is entitled to one vote at any general meeting of Shareholders. There are no preferential or pre-emptive rights attributable to the Shares.

#### **Reference Currency/Base Currency/Pricing Currency**

The Reference Currency of the SICAV is the EUR. The Base Currency of each Sub-Fund and the unit currency of each class of Shares are as set out in each Sub-Fund's description in the relevant Supplement in Appendix B to this Prospectus.

#### **Dividend Policy**

Shares issued in a Sub-Fund are in principle capitalizing their entire earnings but the Board reserves the right to declare interim dividends from time to time in compliance with the conditions set forth by applicable law or to propose to the general meeting of Shareholders to declare dividends in the form of cash.

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

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

***Listed classes***

The Board of Directors may, in its sole discretion, elect to list any Share of any class of Shares or of any Sub-Fund on any stock exchange, as indicated in the relevant Supplement in Appendix B to this Prospectus for each Sub-Fund (if applicable).

***Fractional Shares***

Each Sub-Fund issues whole and fractional Shares up to three decimal places. Fractional entitlements to Shares do not carry voting rights but do grant rights of participation on a pro-rated basis in net results and liquidation proceeds attributable to the relevant Sub-Fund.

***Share Registration and Certificates***

All Shares are issued in registered form. All Shareholders shall receive from the Registrar and Transfer Agent a written confirmation of his/her/its shareholding.



## **INVESTMENT OBJECTIVE AND POLICIES**

### ***Investment objective***

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

There can be no assurance or guarantee that a Sub-Fund's investment will be successful or that its investment objectives will be achieved. Please refer to Section "Risk Considerations" in this Prospectus and each of the relevant Supplements in Appendix B to this Prospectus for a discussion of those factors that should be considered when investing in that Sub-Fund.

Each Sub-Fund's investment objective and policies may be changed without a vote of its Shareholders. If there is a change in a Sub-Fund's investment objective or policies, Shareholders should consider whether the Sub-Fund remains an appropriate investment in light of their current financial positions and needs. The SICAV will amend this Prospectus to reflect any change in a Sub-Fund's investment objective and policies as set out herein. Shareholders will be notified in writing of any material changes to a Sub-Fund's investment objective and policy.

### ***Investment Policies***

The investment objective and policy of the Sub-Funds is described in each of the relevant Supplements in Appendix B to this Prospectus. The Sub-Funds are managed in accordance with the investment restrictions specified in Appendix A to this Prospectus, and the special investment and hedging techniques and instruments specified in the "RISKS CONSIDERATIONS". All investments are made on markets operating regularly, recognised and open to the public.

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

If and to the extent that voting rights attached to instruments held in the portfolio of a Sub-Fund will be exercised on behalf of that Sub-Fund, a summary description of the strategies followed in the exercise of such rights, as well as the actions taken on the basis of those strategies, will be made available to investors upon their specific request addressed to the Management Company.

### ***List of available Sub-Funds***

- 1) Mora Funds SICAV – Absolute Return Fund;
- 2) Mora Funds SICAV – Mora Iberian Equity Fund;
- 3) Mora Funds SICAV – Mora Global Currencies Fund.

Please refer to each of the relevant Supplements in Appendix B to this Prospectus for the details on each of the above Sub-Funds.

## RISKS CONSIDERATIONS

Each separate security in which a Sub-Fund may invest and the investment techniques which a Sub-Fund may employ, are subject to various risks. This Section is in addition to, and should be read together with the specific risks sections in the Sub-Funds' descriptions in the relevant Supplement in Appendix B to this Prospectus. The following describes some of the general risk factors that should be considered before investing in a particular Sub-Fund. The following list is neither specific nor exhaustive and a financial adviser or other appropriate professional should be consulted for additional advice. In addition, these risks are limited to those generally applicable to the SICAV and each Sub-Fund and are not specific to any of the Sub-Funds. The Supplement in Appendix B to this Prospectus issued in connection with each Sub-Fund must be reviewed in order to understand the particular risks related to each Sub-Fund.

### General risks

#### Market risks

The assets acquired by the respective sub-fund are generally exposed to the risk of changing prices. The risk of sub-funds that invest in equities experiencing a loss in value – just like the chance of them experiencing a rise in value – is higher than in the case of sub-funds that invest in fixed-income securities or money market instruments, as experience shows that equities are normally subject to greater fluctuations in price than bonds or money market instruments.

#### Interest rate risk

Sub-funds investing in interest-bearing securities will be exposed to interest rate risk. If market interest rates rise, the price of the interest-bearing securities belonging to the sub-fund may fall significantly. This applies to a greater extent if the sub-fund holds interest-bearing securities with a relatively long residual maturity and low nominal interest payments (coupons).

Interest rates are set in accordance with the principle of supply and demand on international money markets, which are in turn influenced by macroeconomic factors, speculation, as well as interventions by respective central banks and governments.

#### Credit risk, credit status risk and default risk

The credit status (ability and willingness to pay) of an issuer of securities held by a sub-fund may subsequently deteriorate. This generally leads to a decline in price, the scale of which may be greater than the general fluctuations of the market.

Securities from an issuer with a lower rating (credit status) are usually perceived to have a higher credit risk and a higher default risk than securities from more creditworthy issuers.

In an extreme case, the issuer of a security held by a sub-fund or the party liable for a claim belonging to the sub-fund may become insolvent. As a result, the corresponding Sub-fund Assets may become economically worthless ("Default risk").

#### Company-specific risk

Additionally, the performance of the equities, corporate bonds and money market instruments held by the respective sub-fund also depends on company-specific factors, such as the economic situation of the issuer. If company-specific factors deteriorate, the price of the specific paper may fall significantly and for a sustained period, in some cases even despite a generally positive stock market trend.

#### Sector-based risk

In the case of sector-specific investments, the stipulated investment objective precludes distribution of risk across various industrial sectors. Sector-specific investments are particularly dependent on the development of company profits in one single sector or in several related industries.

#### Country and transfer risk

Should economic or political instability affect countries in which the respective sub-fund invests, this could mean that the sub-fund will not receive all or some of the money owed to it despite the issuer of

the respective security being able to pay. Key factors in this regard include limits being imposed on foreign currencies or transfers, or other legal changes.

### **Volatility**

Market volatility discernibly affects the extent of instability and expected instability regarding the performance of the sub-fund, its assets, and any underlying asset and/or, when applicable, the techniques and instruments used to link the assets to the underlying asset. Not only is market volatility an indicator of actual volatility, it is also decisively affected by the prices for instruments offering investors protection against this volatility. In general, the principle of supply and demand on the options and derivatives markets determines the prices of these instruments. These market forces are, in turn, influenced by factors such as the actual volatility, the expected volatility, macroeconomic factors and speculation.

### **Risk of negative credit interest**

The Management Company places liquid assets of the Fund with the Depositary or other credit institutions for the account of the Fund. An interest rate is often agreed for these deposits which correspond to the customary market interest rate such as the European Interbank Offered Rate ("Euribor"), less a certain margin. If the market interest rate falls below the agreed margin, this leads to negative interest rates on the corresponding account. Depending on the development of the interest rate policy of the European Central Bank or another central bank, short, medium and long-term bank credit may generate a negative interest rate. Investments of liquid assets based on an interest rate other than the market interest rate and investments of liquid assets in a foreign currency taking into account the key rates of foreign central banks may therefore also lead to a negative return.

### **Operational risk**

The Management Company may make use of external service providers for carrying out its activities. In the event of a default or insolvency of a service provider, investors may experience delays (e.g. delays in processing subscriptions, conversions and redemptions of units) or other disruptions.

### **Custody risk**

The financial instruments of the Fund are held in custody by the Depositary assigned by the Management Company, CACEIS Bank, Luxembourg Branch.

A risk of loss is associated with holding assets in custody, especially abroad, which may result from insolvency, violations of due diligence or misconduct of the Depositary or a sub-depositary.

### **Legal risk**

The legal and fiscal treatment of the Fund may change in an unforeseeable and uncontrollable manner, i.e. there is a risk that contracts may be terminated due to insolvency, changes in legislation or unforeseeable events.

The law of the Grand Duchy of Luxembourg generally prevails, although it should be pointed out that under certain circumstances (e.g. insolvency proceedings), other legal systems which may impact the enforceability of existing transactions are prioritised.

### **Risks in relation to an underlying asset (index or basket)**

The possibility cannot be ruled out that an underlying asset will in the future no longer be calculated on the basis described and published in this prospectus, or that it will be significantly changed. Changes in an underlying asset may negatively affect the value of the corresponding sub-fund. The past performance of an underlying asset is not necessarily an indication of its future performance.

An underlying asset comprising an index is not actively managed and the selection of its components (i.e. the indices, assets or securities) takes place in accordance with the respective specifications concerning the composition of the index and relevant selection criteria without reference to performance criteria or expectations. Accordingly, the composition of the index is not aimed at following the recommendations or analyst's reports of the index sponsor, its affiliated companies or other persons. In the determination, composition and calculation of the underlying, no index sponsor is responsible for taking the needs of the Company or the investors into consideration.

## **General information in connection with derivatives, securities financing transactions and other techniques and instruments**

Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (SFTR) was published in the Official Journal of the European Union on 23 December 2015.

The SFTR essentially governs the obligations in relation to “securities financing transactions”. Aside from existing reporting obligations pursuant to the “European Market Infrastructure Regulation (EMIR)” (Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories) – but which are generally not applicable for securities financing transactions – additional reporting requirements are justified by the SFTR for the conclusion, modification or termination of securities financing transactions.

Derivatives, securities financing transactions, techniques and instruments may be used for efficient portfolio management in line with the Fund’s investment objectives. The Management Company may expand upon the following derivatives, securities financing transactions, techniques and instruments if other instruments are offered on the market that are in line with the investment objective and which the Fund may employ in accordance with supervisory and legal provisions.

The counterparties of derivative financial instruments that are not traded on a stock exchange or another regulated market (“OTC derivatives”) must be first-class financial institutions specialising in these types of transactions.

Securities financing transactions include:

- Repurchase transactions
- Securities lending transactions
- Buy/sell-back transactions or sell/buy-back transactions

The return generated as part of the securities financing transaction is transferred in full to the Fund’s assets, less all costs associated therewith including any transaction costs.

The following is a non-exhaustive list of examples of derivatives, securities financing transactions, techniques and instruments which may be used for managing the Fund:

### **Derivatives**

#### **1. Financial futures contracts**

Financial futures contracts are binding agreements on both parties to the contract to buy or sell a specific amount of a specific underlying instrument at a predetermined time (the maturity date) or within a specific period of time and at a previously agreed price.

#### **2. Options**

An option is the right to buy (call option) or sell (put option) a specific asset at a predetermined time or within a predetermined period of time at a previously agreed price. The price paid for the acquisition of a call or put option is the option premium.

#### **3. Swaps**

Swaps are agreements in which cash flows or risks underlying the transaction are exchanged between the parties to the agreement.

##### **a. Credit default swaps**

Credit default swaps are credit derivatives that allow potential credit default risks to be transferred to counterparties. The counterparty receives a regular fee (premium) from the seller of the credit risk and makes a compensation payment in return if a credit event defined when the contract is entered into occurs.

##### **b. Total return swaps**

A total return swap is a credit derivative in which the pledgee transfers the entire risk of a reference asset (e.g. a bond or an index) to the guarantor by periodically offsetting the income from the reference asset and its increases in value with the guarantor against the payment of a variable or fixed reference

interest and the settlement of impairments. Consequently, the guarantor assumes both the credit risk and the entire price risk of the reference asset from the pledgee for the term of the transaction.

The Fund may conclude total return swaps within the scope of its investment principles.

The counterparty in the case of total return swaps will be one or more first-rate financial institutions (“counterparty/counterparties”) which specialise in such business. The relevant counterparty shall provide the Management Company with a replicable swap trading price on each valuation date. Further details on concluding total return swaps are described in the special section of this Sales Prospectus.

#### **4. Repurchase transactions**

A repurchase transaction is a transaction based on an agreement through which a counterparty sells securities, commodities or guaranteed rights to securities or commodities and the agreement contains an obligation to repurchase the same securities and commodities or rights – or alternatively securities or commodities with the same characteristics – at a fixed price and at a later date fixed or to be fixed by the pledgor. Rights to securities or commodities may only be the subject of this type of transaction if they are guaranteed by a recognised stock exchange which holds the rights to the securities or commodities and if the agreement does not allow a counterparty to transfer or pledge a particular security or particular commodities to more than one other counterparty simultaneously; the transaction is a repurchase transaction agreement for the counterparty which sells the securities or commodities and a reverse repurchase transaction agreement for the counterparty that acquires them.

#### **5. Securities lending transaction**

A securities lending transaction is a transaction in which a counterparty transfers securities subject to the obligation that equivalent securities are returned by the party borrowing the securities at a later date or at the request of the transferring party; it is a securities lending transaction for the counterparty that transfers the securities and a securities borrowing transaction for the counterparty to which they are transferred.

#### **6. Buy/sell-back transactions or sell/buy-back transactions**

A return transaction is a transaction which involves a counterparty buying or selling securities, commodities or guaranteed rights to securities or commodities with the agreement to sell or buy back securities, commodities or guaranteed rights with the same characteristics at a specified price at a future date. This transaction is a “buy/sell-back transaction” for the counterparty which purchases securities, commodities or guaranteed rights and a “sell/buy-back transaction” for the counterparty that sells them, although these types of “buy/sell-back transactions” or “sell/buy-back transactions” are neither covered by a repurchase transaction agreement nor a reverse repurchase transaction agreement within the meaning of point 4 above.

### **Risks in relation to derivatives, securities financing transaction and other techniques and instruments**

#### **1. Derivatives**

Within the framework of the investment limits, the respective sub-fund may use derivatives for hedging purposes, for efficient portfolio management, to achieve additional returns, and as part of the investment strategy. Both derivative transactions that are authorised for trading on a stock exchange or included on another organised market, as well as over-the-counter (OTC) transactions may be entered into.

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (European Market Infrastructure Regulation, EMIR) has been in force since August 2012.

(OTC) transactions which were entered into before 1 March 2017 (“legacy transactions”) have hitherto been subject to the collateral attachment of 2001 (secured legacy transaction) or they involved a (previously) unsecured (OTC) transaction (unsecured legacy transaction).

(OTC) transactions which are entered into from 1 March 2017 (new transactions) are subject to the new EMIR collateral requirements. Only certain OTC derivatives that a) are concluded after the collateral obligation has entered into force, b) that are not processed by a central counterparty and c) are concluded between the two counterparties concerned are affected by the new EMIR collateral requirements. If an (OTC) transaction is not subject to the new EMIR collateral requirements, the parties are obligated to reach an agreement on the exchange of collateral (mutual collateralisation).

The International Swap and Derivatives Association (“ISDA”) has written standardised documentation for this type of transaction under the umbrella of framework agreements, the ISDA Master Agreement. To reduce the risk incurred through transactions with (credit default) swaps (see also “Swaps”), the sub-fund only enters into (credit default) swaps with top-rated financial institutions specialised in this type of transaction and that adhere to the standard conditions set forth in the ISDA.

The derivatives and financial instruments with derivative components may contain, among other things, options transactions, futures transactions on financial instruments (including interest rates, exchange rates and currencies), swaps including credit default swaps and equity swaps, or combinations of these. In this connection, the following risks in particular may be associated with the use of derivatives:

#### 1. Risk of loss:

a. Derivatives contain special risks arising from the so-called leverage effect. This leverage is generated by the low expenditure of capital required to acquire a derivative in comparison to a direct purchase of the underlying assets. For a given change in the price of the underlying asset, the greater the leverage, the greater the change in the value of the derivative. As the leverage increases, the risk of loss tends to increase accordingly.

b. The risk of loss cannot be pre-determined and may exceed any security provided.

c. It may be impossible to undertake transactions that limit or eliminate risks, or such transactions may only be possible at a market price constituting a loss.

d. The risk of loss may increase if the liabilities arising from such transactions or the consideration receivable from them are denominated in a foreign currency.

#### 2. Counterparty risk (see also: “Default risk”):

The sub-fund may engage in derivative transactions that are not quoted on a stock exchange or included in another organised market only with suitable financial institutions or financial services institutions with which standardised master agreements have been concluded. Transactions on OTC markets may expose a give sub-fund to risks with regard to the credit status of its counterparties and their capacity to meet the conditions of such agreements. If the counterparty should default, then the sub-fund may incur losses. The Default risk exposure to a counterparty of a sub-fund in transactions on OTC markets may not exceed 10% of the sub-fund’s net assets when the counterparty is a credit institution referred to in 5.1 f). In other cases the limit is 5 % of the net assets of the relevant sub-fund. Should the counterparty of the OTC derivatives occur as a portfolio manager in this sense, this will be considered as an outsourcing agreement in respect of the portfolio management and will therefore comply with the UCITS requirements in relation to outsourcing.

The respective sub-fund may, for example, enter into securities lending, futures, options and swap transactions or make use of other derivative techniques, whereby in each case the sub-fund is subject to the risk that the Counterparty might not fulfill its obligations under the agreement concerned. The sub-fund in question may, if possible, reduce the default risk by requesting security (“collateral”), which shall be furnished in the form of equities belonging to major indices, investment-grade government bonds, (mortgage bonds (Pfandbriefe)), investment-grade money market instruments or cash. The Management Company reduces counterparty risk in derivative transactions concluded with counterparty by requiring the counterparty to provide liquid security, particularly in the form of cash and top-rated government bonds. The market value of this collateral is determined daily. The amount of collateral that a counterparty has to provide, must at least equal a value exceeding the market-value of the limits stated in the Management Regulations for the implemented investment principles and restrictions and,

where applicable, multiplied by a weighting factor. In event of default, the Management Company may liquidate the collateral. The amount of security shall be calculated on a daily basis to ensure that sufficient collateral has been provided.

Of the collateral, which basically amounts to 100% of the legal claims, reductions in value (haircuts) can be deducted that vary depending on the nature of the securities, the creditworthiness of the issuer and the residual maturity, if necessary. After deducting the Haircuts, securities must at all times have a sufficient amount to meet the legal requirements.

The following is a description of Structured Invest S.A.'s collateral and haircut policy, which takes into account the statutory eligibility criteria in CSSF Circulars 08/356 and 11/512 in connection with CSSF 14/592:

- a. The provision of collateral for securities lending, repo and reverse repo transactions is made pursuant to CSSF Circular 08/356. Collateral generally consists of:
  - Liquid funds (these do not only include cash and short-term bank deposits, but also money market instruments as set out in Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions.
  - Bonds issued or guaranteed by an OECD Member State or its public local authorities or via supranational bodies and undertakings with a community, regional or global character,
  - Shares or units issued by money market UCIs which calculate a Net Asset Value on a daily basis and have an AAA- rating, or equivalent,
  - Shares or units issued by UCITS which invest in bonds/shares listed in the next three points,
  - Bonds issued or collateralised by first-class issuers with adequate liquidity, or
  - Shares which are listed on a stock exchange or traded on a regulated market of an EU Member State or a securities market of an OECD State, if said shares are included in a major index.
  - Collateral which is not provided in cash or in shares/units of a UCI/UCITS is issued by a company not affiliated to the counterparty.
  
- b. The provision of collateral in order to reduce the counterparty's risk from OTC derivatives is stipulated in CSSF Circular 11/512. The criteria, pursuant to CSSF Circular 08/356 (see a. above) as well as the general principle of CCSR guideline CCSR/10-788 (Box 26), as amended by ESMA Directive 2014/937 in conjunction with CSSF Circular 14 / 592, are also taken into account:
  - Liquidity: all received non-cash collateral is highly liquid and traded at a transparent price on a regulated market or within a multilateral trading system, so that it can be sold at short notice at a price which is near to the valuation determined prior to being sold. Received collateral shall also comply with the provisions of Article 56 of the UCITS Directive.
  - Valuation: The collateral received is valued on each trading day as a minimum, taking into account the available market prices by consulting independent third-party data sources which ensure the objective valuation of collateral. Daily variation margins will be used, if required. Assets with a high price volatility are only accepted as collateral if appropriate conservative haircuts are applied. No haircuts will be employed for non-cash collateral in accordance with the haircut policy of Structured Invest S.A. if the remaining term of the non-cash collateral is up to one year and the price volatility is low.
  - Issuer rating: the issuer of the accepted securities has a high rating.
  - Correlation: securities accepted by the UCITS are issued by a legal entity which is independent of the counterparty and does not have a high correlation with the performance of the counterparty.
  - Diversification of collateral (investment concentration): as far as collateral is concerned, care is taken to ensure an adequate diversification in relation to countries, markets and issuers. This adequate diversification criterion with regard to the issuer concentration has been met.

c. Securities lending, repo, reverse repo, futures, options and swap transactions are only made with counterparties subject to supervisory regulations which are equivalent to EU legislation.

d. Received cash collateral should only

- be invested as sight deposits with legal entities, pursuant to Article 50(f) of the UCITS Directive;
- be invested in high-quality government bonds;
- be used for reverse repo transactions, provided that these are transactions with credit institutions which are subject to supervision and the UCITS can claim back the entire accrued amount at any time;
- be invested in money market funds with a short maturity structure, pursuant to the definition in the CESR's guidelines on a general definition for European money market funds.
- It should be noted that the Fund may suffer losses through the investment of cash collateral received. This type of loss may result, for example, from an impairment of the investment in which the cash collateral has been invested. The impairment of an investment would also lead to a decrease in cash collateral. The Fund would have to offset the difference when returning the collateral to the counterparties, which may result in a loss for the Fund. Please see section "4. Risk factors" of this Prospectus with regard to other risks which may occur in relation to the investment of cash collateral received.

e. Collateral and haircuts accepted by the Management Company:

1.	Cash collateral	Haircut
	Amount in EUR	0 %
2.	Securities	

German Bunds with a residual maturity of up to 1 year	0%
German Bunds with a residual maturity of 1 to 2 years	1%
German Bunds with a residual maturity of 2 to 5 years	2%
German Bunds with a residual maturity of 5 to 10 years	3%
German Bunds with a residual maturity of more than 10 years	5%
Pfandbriefe of German mortgage banks, jumbos and public-sector bonds with a rating by Standard and Poor's Rating Services, Inc. (S&P) for senior unsecured debt of at least Aa1 (valid on a relevant Valuation Day).	
and a residual maturity of up to 1 year	0%
of 1 to 2 years	1%
of 2 to 5 years	2%
of 5 to 10 years	3%
of more than 10 years	5%
Euro (bearer) bonds, except for those issued by companies affiliated to the guarantor, with an S&P rating for senior unsecured debt of at least Aa1 (valid on a relevant calculation day).	
and a residual maturity of up to 1 year	0%
of 1 to 2 years	1%
of 2 to 5 years	2%
of 5 to 10 years	3%
of more than 10 years	5%

f. Received non-cash collateral must not be sold, reinvested or securitised.



g. The assets which are employed for securities financing transactions and total return swaps and the collateral received are held in custody by the Depositary of the Fund. Please see section “4. Risk factors” of this Prospectus with regard to risks which occur in relation to the safekeeping of collateral received by the Depositary

## **2. Market risks**

This is a general risk and exists for all types of investments; the risk is that the value of a certain derivative may change in such a way that could be disadvantageous to the interests of the sub-fund.

## **3. Liquidity risk**

Liquidity risks arise when a certain security is difficult to obtain or to dispose of. For large-volume derivative transactions and/or in illiquid markets (e.g. if there are numerous individually agreed derivatives), the execution of a transaction or the settlement of a position may not be possible at an advantageous price.

## **4. Early termination of swaps**

If the respective counterparty violates contractual obligations, the Management Company may use this to justify the termination of the swap. The counterparty is also entitled to terminate a swap. The conditions for termination are explained in more detail in the framework agreement mentioned above on which the swap transaction is based. If the swap is terminated, the standard documentation underlying the respective swap provides that the current market value of the swap remains in the net assets of the sub-fund. In the event of early termination of a swap transaction, the Management Company will endeavour to find another counterparty that is willing to enter into the swap under identical conditions. If the Management Company should not succeed, the sub-fund may be forced, possibly in accordance with applicable laws, to adjust its investment objective and investment policy to the prevailing market conditions at that time. If such an adjustment is not possible or in the opinion of the Management Company is not reasonable, the Management Company may, in accordance with Articles 30 and 31 of the Articles of Incorporation, liquidate the sub-fund or merge it with another sub-fund.

## **5. Other risks**

Other risks associated with the use of derivatives include the risk of different valuations for derivatives resulting from different permissible valuation methods and the fact that there is no absolute correlation between derivatives and the underlying securities, interest rates, exchange rates and indices. Many derivatives, in particular OTC derivatives, are complex and often subjectively valued. In many cases, only a few market participants are able to perform the valuation, and they often appear as counterparties in transactions involving the derivative transactions to be valued. Imprecise valuations may result in higher cash-payment obligations for the counterparty or a loss of value for the respective sub-fund. Derivatives do not always reproduce fully or only to a large extent the performance of the securities, interest rates, exchange rates or indices which they are intended to mirror. For this reason, the use of derivatives techniques by a sub-fund is, under certain circumstances, not always an effective tool for achieving the investment objective, and may sometimes even prove to be counterproductive.

If the counterparty can influence the composition or management of the sub-fund's portfolio or the underlying assets of derivatives or must agree to transactions in connection with the sub-fund's investment portfolio, this will be explicitly described in the respective Annex under section A. Investment objectives and investment policy.

## **Options and warrants**

An option is the right to buy (call option) or sell (put option) a specific asset at a specific predetermined time or within a specific predetermined period of time at an agreed fixed price. The price paid for the acquisition of a call or put option is the option premium.

Options transactions entail special risks resulting from the so-called leverage effect. The opportunities and risks of options transactions tend to increase correspondingly as the leverage rises. It should also

be noted that options may lapse without value or decline in value. When a sub-fund invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

### **Financial futures contracts (including futures)**

Futures contracts are binding agreements for both parties to the contract; they represent the purchase or the sale of a particular quantity of a particular underlying asset at a pre-determined price on a pre-determined date (the expiration date), or within a pre-determined period of time.

When a sub-fund buys or sells forwards or futures for purposes other than hedging, it is associated with significant opportunities and significant risks, as only a fractional amount of the respective contract size (margin) needs to be paid immediately. Price movements in one direction or the other may lead to significant losses.

### **Swaps**

Swaps are agreements in which cash flows or risks underlying the transaction are exchanged between the parties to the agreement.

Within the framework of the investment principles, the sub-fund may enter into interest-rate, currency, total-return and equity swaps, options on such swaps and any combination of such transactions. The counterparty to the swap is contractually obliged to provide the Management Company with a verifiable trading price for the swap on each Valuation Day. There is the risk that the counterparty will not fulfill its obligation to provide pricing. If no market price is available for the above swap transactions, the price at the time of the transaction and on any day on which the unit price is calculated will be determined using recognised valuation models based on the fair value of the underlying.

Transactions and price determinations shall be documented.

- Interest rate swaps may be used to shorten or lengthen the term structure of a sub-fund's interest-bearing assets, thereby managing the interest rate risk. Moreover, currency risks can be changed by using (currency) swaps, whereby assets are exchanged into another currency.
- An equity swap is a swap based on equities or equity indices, whereby various underlyings are exchanged thereby providing both contracting parties with diversification possibilities, while at the same time incurring corresponding risks of loss.
- Credit default swaps are credit derivatives that enable the transfer of potential default risks to a counterparty. The counterparty receives a regular fee (premium) from the seller of the credit risk and in turn pays a payment upon the occurrence of a credit event that was pre-defined when the CDS was concluded. A credit event is generally defined as bankruptcy, failure to pay, (potential) early termination, repudiation/moratorium and restructuring. The use of credit default swaps can involve higher risks than a direct investment in debt securities. The credit default swap market can sometimes be less liquid than the market for debt securities. In general, the sub-fund intends, however, to only invest in liquid credit default swaps. For credit default swap transactions in which the sub-fund acts as the protection seller, it is exposed to the risks of a credit event occurring with regard to the reference debtor. When the sub-fund acts as the protection buyer in a credit default swap transaction, it is also exposed to the risk of the counterparty to the CDS defaulting. The use of credit default swaps must be in the exclusive interest of the investment policy and fully comply with it. In terms of the investment limits set out in section 27 of this prospectus, both the underlying bonds and the respective issuer must be taken into account with regard to credit default swaps.
- A total return swap is a credit derivative in which the protection buyer transfers the entire risk of a reference asset (e.g. bond or index) to a protection seller. The income from the reference asset as well as its rises in value are transferred to the protection seller against payment of a floating or fixed reference interest rate and a periodic settlement for decreases in value. In addition to the credit risk, the protection seller thereby also takes over the entire price risk of the reference asset from the protection buyer for the duration of the transaction.

- Swaptions are options on swaps. A swaption is the right but not the obligation to enter into a swap on a particular date or within a particular period under precisely defined terms and conditions. Swaptions can be concluded on all of the aforementioned swap types.

## **Additional risks relating to investments in listed funds**

### **Exchange-listing procedures**

The Company can submit an application to have a particular sub-fund admitted to trading on the (i) Luxembourg Stock Exchange and/or (ii) the Frankfurt Stock Exchange and/or (iii) the Hamburg Stock Exchange and/or (iv) any other stock exchange. However, no assurance can be given that a listing on these stock exchanges will actually take place.

### **Liquidity and secondary trading**

Even if the sub-fund is listed on one or more stock exchanges there is no certainty that trading on one or more exchanges will be liquid or that the price at which it is traded on one exchange will be the same as the sub-fund unit's Net Asset Value. Once the sub-fund units have been listed on an exchange, no assurance can be given that units will remain listed or that the listing conditions will remain unchanged. Trading of the units on an exchange can be suspended as a result of market conditions or when trading is not advisable in the opinion of the relevant stock exchange. Moreover, all trading on a particular exchange may be suspended on account of extreme market volatility as long as such suspension takes place in accordance with the regulations of the respective stock exchange. If trading has been suspended on a stock exchange, unit holders might not be able to sell their units until trading has resumed.

Funds listed on an exchange can however be mainly traded over the counter (OTC). In such case, the existence of a liquid market for trading may depend on whether brokers/dealers provide bid and ask prices (buying and selling rates). As a precondition for listing on certain exchanges, one or more financial institutions may be named as market makers; however no assurance can be given that a market will be continuously maintained or that it will be or remain liquid. The price at which units can be sold can be negatively impacted by a limited or non-existent trading market.

### **Changes in Net Asset Value and secondary market prices**

The Net Asset Value per sub-fund unit fluctuates with changes in the fair value of the underlying, of the derivative techniques and instruments, of the assets and with changes in the exchange rate between the reference currency or, if different, the listing currency of the sub-fund units and the respective foreign currency of the underlying and of the assets. The market price fluctuates with changes in the Net Asset Value and in supply and demand on the stock exchange on which the sub-fund is listed. The Company cannot make any predictions as to whether the sub-fund units will be traded below, at or above their Net Asset Value. Price differences are primarily due to the fact that the forces affecting supply and demand on the secondary market are closely linked to, but not identical to, the forces that have an effect at the time, individually or collectively, on the trading prices of the underlyings and the assets. Moreover, a listing on multiple stock exchanges can result in sub-fund prices differing between exchanges due to tax, regulatory or other market-related factors.

A broker/dealer may, taking into account the price at which he could sell the sub-fund units (the ask) or the price at which he could purchase sub-fund units (the bid) on the secondary market, endeavour to take advantage of opportunities to enter into arbitrage transactions that, because of anomalies and discrepancies in the pricing on the secondary market, offer opportunities compared to the relative Net Asset Value. Brokers/dealers who seek to take advantage of these anomalies and discrepancies for arbitrage transactions will take into account the notional price at which they (i) could buy the components (when prices on the secondary market are higher than the Net Asset Value per unit) that could provide the (combined) income of the underlying (and of the assets, if any); or (ii) sell the components (when prices on the secondary market are lower than the Net Asset Value) that provide the

(combined) income of the underlying (and of the assets, if any); and in each case including related transaction costs and taxes.

### **Special restrictions relating to the subscription, ownership, redemption and trading of fund units.**

Investors should be aware that there may be restrictions relating to the subscription, ownership, redemption and trading of sub-fund units. These restrictions may prevent investors from having unlimited subscription, ownership, trading or redemption rights. In addition to the parameters described below, there may also be restrictions in the form of particular requirements such as a minimum investment amount for initial subscription, a minimum investment amount for initial and subsequent subscriptions, a minimum investment amount for subsequent subscriptions and a prescribed minimum holding.

### **Minimum redemption amount**

Unit-holders may be subject to the requirement that redemption applications be made for a minimum number of sub-fund units in order to be submitted. As a result, unit-holders who possess fewer than the required minimum number must either sell their shares through a stock exchange or purchase additional sub-fund units. In the latter case, the unit-holders may have to bear the related transaction costs and/or expenses of a fiscal nature. Investors should review whether and to what extent these provisions apply.

### **Maximum redemption amount**

The Company has the option of restricting the number of sub-fund units submitted for redemption on a specific date (with the exception of any applicable maturity date) to a certain maximum amount. In connection with this restriction, it can also limit the number of sub-fund units submitted by individuals or groups of persons for redemption on a specific date (regardless of whether such individuals or groups of persons are acting individually or collectively). If the total number of sub-fund units submitted for redemption on the specific date (with the exception of any applicable maturity date) exceeds this maximum number, and if the Company has imposed a restriction on redemptions on that date, then the unit-holder may not be in a position to submit the number of redemptions desired. Investors should review whether and to what extent these provisions apply.

### **Market disturbances and settlement disturbances**

Determination of a market disturbance or a settlement disruption event in connection with assets or an underlying may have an effect on the value of the sub-fund and/or on the investment policy, and may delay a maturity date and/or settlement of assets, the underlying and/or the units.

### **Potential conflicts of interest**

The interests of the fund or the sub-fund may collide with the interests of the Directors of the Company, the Fund Manager, the designated Distributors and those charged with carrying out distribution, the Paying and Information Agent, and all subsidiaries, affiliates, representatives or agents of the aforementioned agencies and persons ("Related Persons").

The fund has undertaken reasonable measures to avoid such conflicts of interest. When unavoidable conflicts of interest arise, the Board of Directors will endeavour to resolve them in favour of the fund or sub-fund.

In particular, it ensures that transactions on OTC markets with counterparties take place under market conditions.

### **Liquidity risk**

Liquidity risks arise when a certain security is difficult to obtain or to dispose of. For large-volume transactions and/or transactions in illiquid markets (e.g. for numerous individually agreed derivatives),

the execution of a transaction or the settlement of a position may only be possible with a single counterparty at a price set by that counterparty.

### **Settlement/delivery risk**

Settlement risk is the risk of suffering a loss if a counterparty does not fulfill its contractual obligations to deliver cash, securities or other assets. In the settlement of transactions, there may be delays or distortion of delivery, which could materially damage the shareholdings of the fund or sub-fund in the corresponding shares of the company or in certain cases even make the shareholdings economically worthless.

### **Valuation/price risk**

Valuation risk is that risk originating from the incorrect valuation of assets. The assessment procedures described under “Determination of Net Asset Value” include the risk of price discrepancies. For unlisted or infrequently traded securities, there is also a risk that arises from the frequency of valuation. It is possible that an outdated price no longer reflects the latest market information (“Stale Price”).

### **Model risk**

A risk management strategy or a determination of fair value is based on the assumptions of a particular model. It is uncertain whether the underlying model reliably reflects reality – if not, risks would not be detected or would only be incompletely detected, or the fair value calculation would not yield the correct value.

### **Legal and tax-related risks**

The legal and tax treatment of funds may change in unpredictable ways that cannot be influenced. For this reason, investors should be aware that legal provisions and their application or interpretation by the responsible authorities may change. For this reason, it is not possible to make accurate predictions as to the legal and tax treatment at any given time.

A change in the incorrect determined tax basis of the fund or sub-fund for past financial years may result in a correction with tax disadvantages for the investor in that the investor has to pay the tax burden arising from the correction for past financial years even though he may not have been investing in the investment fund at that time. Similarly, the consequence may also arise for the investor that a correction that has tax advantages for the current and for previous financial years in which he was invested in the investment fund may not benefit him because he redeemed or sold his units before the correction in question was implemented. In addition, a correction of tax information may result in income that is subject to taxation or tax advantages actually being assessed in a different tax assessment period from the appropriate period, and this could have a negative impact on the individual investor. Investors who are uncertain about their tax situation should consult an independent tax advisor.

The Management Company must comply with the applicable regulatory restrictions. When changes in laws affect the investment regulations, this can lead to a change in investment policy and the investment objective of a fund or sub-fund.

### **Risks relating to securities lending and repo transactions (securities repurchase agreements)**

Securities lending and securities repurchase transactions (as described in section 27.5 b) and c) of this prospectus) incur a counterparty risk (see also Risk Disclosure on Counterparty Risk) involving the counterparty’s full or partial failure to fulfill its payment obligations without any delay.

### **Risks from target funds**

If the target funds are sub-funds of an umbrella fund, the acquisition of target fund units is associated with an additional risk if the umbrella fund is liable to third parties overall for the liabilities of each sub-

fund. When investing in target funds, the double charging of fees may occur, as described in the Prospectus.

### **Political factors**

The performance of the fund or sub-fund and the possibility of its acquisition, sale or redemption may be adversely affected by economic changes and uncertainties, such as political developments, changes in government policy, the imposition of restrictions on capital movements and changes in regulatory requirements.

### **Equity Securities**

Investing in equity securities involves risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole.

### **Debt Securities**

Among the principal risks of investing in debt securities are the following:

#### ***Changing Interest Rates***

The value of any fixed income security held by a Sub-Fund will rise or fall inversely with changes in interest rates. Interest rates typically vary from one country to another, and may change for a number of reasons. Those reasons include rapid expansions or contractions of a country's money supply, changes in demand by business and consumers to borrow money and actual or anticipated changes in the rate of inflation.

In general, if interest rates increase, one may expect that the market value of a fixed income instrument which pays interest payments would fall, whereas if interest rates decrease, one may expect that the market value of such investment would increase.

#### ***Credit Risk***

The issuer of any debt security acquired by any Sub-Fund may default on its financial obligations. Moreover, the price of any debt security acquired by a Sub-Fund normally reflects the perceived risk of default of the issuer of that security at the time the Sub-Fund acquired the security. If after acquisition the perceived risk of default increases, the value of the security held by the Sub-Fund is likely to fall.

There are many factors that could cause an issuer to default on its financial obligations, or an increase in the perceived risk of default of an issuer. Among those factors are the deteriorating financial condition of the issuer caused by changes in demand for the issuer's products or services, catastrophic litigation or the threat of catastrophic litigation and changes in laws, regulations and applicable tax regimes. The more concentrated a Sub-Fund is in a particular industry; the more likely it will be affected by factors that affect the financial condition of that industry as a whole. Securities rated below investment grade may have greater price volatility and a greater risk of loss of principal and interest than investment grade debt securities.

A rating is not a recommendation to buy, sell or hold any of our securities. Any or all of these ratings are subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

Additionally, there are special risks considerations associated with investing in certain types of debt securities:

#### ***Mortgage-related Securities and Asset-backed Securities***

Certain Sub-Funds may invest in mortgage Derivatives and structured notes, including mortgage-backed and asset-backed securities. Mortgage pass-through securities are securities representing

interests in “pools” of mortgages in which payments of both interest and principal on the securities are usually made monthly, in effect “passing through” monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by a Sub-Fund (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the relevant Sub-Fund reinvests such principal. In addition, as with callable fixed-income securities generally, if the SICAV purchased the securities at a premium, sustained earlier than expected, repayment would reduce the value of the security relative to the premium paid. When interest rates rise or decline, the value of a mortgage-related security generally will decline, or increase but not as much as other fixed-income, fixed-maturity securities which have no prepayment or call features.

Asset-backed transferable securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Interest rate risk is greater for mortgage-related and asset-backed securities than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Sub-Fund because the Sub-Fund must reinvest assets previously invested in these types of securities in securities with lower interest rates.

### **CMO**

A CMO is a security backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. CMOs of different classes are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMOs first to mature generally will be retired prior to its maturity. As with other mortgage-backed securities, if a particular class or series of CMOs held by a Sub-Fund is retired early, the Sub-Fund would lose any premium it paid when it acquired the investment, and the Sub-Fund may have to reinvest the proceeds at a lower interest rate than the retired CMO paid. Because of the early retirement feature, CMOs may be more volatile than many other fixed-income investments.

### **Yankee Bonds**

Certain Sub-Funds may invest in USD denominated bonds issued in U.S. capital markets by foreign banks or corporations (“Yankee Dollar bonds”). Yankee Dollar bonds are generally subject to the same risks that apply to domestic bonds, notably credit risk, market risk and liquidity risk. Additionally, Yankee Dollar bonds are subject to certain sovereign risks, such as the possibility that a sovereign country might prevent capital, in the form of USD, from flowing across its borders. Other risks include adverse political and economic developments; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and the expropriation or nationalization of foreign issuers.

### **Zero Coupon Securities**

Certain Sub-Funds may invest in zero coupon securities issued by governmental and private issuers. Zero coupon securities are transferable debt securities that do not pay regular interest payments, and instead are sold at substantial discounts from their value at maturity. The value of these instruments tends to fluctuate more in response to changes in interest rates than the value of ordinary interest-paying transferable debt securities with similar maturities. The risk is greater when the period to maturity is longer. As the holder of certain zero coupon obligations, the relevant Sub-Funds may be required to accrue income with respect to these securities prior to the receipt of cash payment. They may be required to distribute income with respect to these securities and may have to dispose of such securities

under disadvantageous circumstances in order to generate cash to satisfy these distribution requirements.

### ***Variation in Inflation Rates***

Certain Sub-Funds may invest in inflation-linked debt securities. The value of such securities fluctuates with the inflation rate of the corresponding geographical area.

### **Convertible Securities**

Certain Sub-Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or preferred stock.

### **Exchange Rates and Currency Transactions**

Some Sub-Funds are invested in securities denominated in a number of different currencies other than their Base Currency, respectively the unit currency of their class (es) of Shares. Changes in foreign currency exchange rates will affect the value of some securities held by such Sub-Funds.

The Sub-Funds may, whether or not in respect of hedged classes of Shares, engage in a variety of currency transactions. In this regard, spot and forward contracts and OTC options are subject to the risk that counterparties will default on their obligations as these contracts are not guaranteed by an exchange or clearing house. Therefore a default on the contract would deprive a Sub-Fund of unrealized profits, transaction costs and the hedging benefits of the contract or force the Sub-Fund to cover its purchase or sale commitments, if any, at the current market price. To the extent that a Sub-Fund is fully invested in securities while also maintaining currency positions, it may be exposed to a greater combined risk in comparison to investing in a fully invested Sub-Fund (without currency positions). The use of currency transactions is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the SICAV is incorrect in its forecasts of market values and currency exchange rates, the investment performance of a Sub-Fund would be less favourable than it would have been if this investment technique were not used.

### **Sub-Fund Concentration**

Although the strategy of certain Sub-Funds of investing in a limited number of stocks has the potential to generate attractive returns over time, it may increase the volatility of such Sub-Funds' investment performance as compared to funds that invest in a larger number of stocks. If the stocks in which such Sub-Funds invest perform poorly, the Sub-Funds could incur greater losses than if it had invested in a larger number of stocks.



## **Foreign Exchange/Currency Risk**

Although Shares of the different classes within the relevant Sub-Fund may be denominated in different currencies, the Sub-Funds may invest the assets related to a class of Shares in securities denominated in a wide range of other currencies. The Net Asset Value of the relevant class of Shares of the relevant Sub-Fund as expressed in their unit currency will consequently fluctuate in accordance with the changes in foreign exchange rate between their unit currency and the currencies in which the Sub-Funds' investments are denominated.

In addition, there is a risk that foreign exchange controls may be modified by foreign governments which may have an adverse effect on the Shares.

The Sub-Fund may therefore be exposed to a foreign exchange/currency risk. However, these risks generally depend on factors outside of the SICAV's control such as financial, economic, military and political events and the supply and demand for the relevant currencies in the global markets. It may be not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

### ***Changes in Foreign Currency Exchange Rates Can Be Volatile and Unpredictable***

Rates of exchange between currencies have been highly volatile, and this volatility may continue and perhaps spread to other currencies in the future. Fluctuations in currency exchange rates could adversely affect an investment in Shares denominated in, or whose value is otherwise linked to, a foreign currency. Depreciation of the specified currency against your own principal currency could result in a decrease in the market value of your Shares, including the principal payable at maturity. That in turn could cause the market value of your Shares to fall. Depreciation of the foreign currency against your own principal currency could result in a decline in the market value of your Shares.

### ***Government Policy Can Adversely Affect Foreign Currency Exchange Rates and an Investment in a Foreign Currency Note***

Foreign currency exchange rates can either float or be fixed by sovereign governments. From time to time, governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies.

Governments may also issue a new currency to replace an existing currency or alter the exchange rate or exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing foreign currency notes may be that their yields or payouts could be significantly and unpredictably affected by governmental actions. Even in the absence of governmental action directly affecting foreign currency exchange rates, political, military or economic developments in the country issuing the specified foreign currency for a note or elsewhere could lead to significant and sudden changes in the foreign currency exchange rate between the foreign currency and your principal currency. These changes could affect your principal currency equivalent value of the note as participants in the global currency markets move to buy or sell the foreign currency or your own principal currency in reaction to these developments.

Governments have imposed from time to time and may in the future impose exchange controls or other conditions, including taxes, with respect to the exchange or transfer of a specified currency that could affect exchange rates as well as the availability of a specified currency for a note at its maturity or on any other payment date. In addition, the ability of a holder to move currency freely out of the country in which payment in the currency is received or to convert the currency at a freely determined market rate could be limited by governmental actions.

The SICAV may enter into currency transactions as necessary to hedge the currency risks within the limits described in Appendix A to this Prospectus.

## **US Foreign Account Tax Compliance Requirements ("FATCA")**

The requirements of the Foreign Account Tax Compliance Act ("FACTA") under the Hiring Incentives to Restore Employment Act of 2010 impose new reporting requirements and potential withholding taxes of up to 30% on certain U.S.-based income (including dividends and interest) as well as gross earnings from the sale or other alienation of property which may generate interest or dividends from US income ("Withholdable Payments"). Essentially, the new rules are designed so that direct or indirect property of non-U.S. accounts and non-U.S. enterprises of

- a. U.S. persons and
- b. non-U.S. enterprises controlled by one or more persons designated as a "specified U.S. person"

are subject to reporting requirements to the U.S. Internal Revenue Service (the "IRS"). The withholding tax of 30% is applied if the relevant FATCA disclosure requirements are not met.

The governments of the United States of America and Luxembourg have signed an IGA on the FATCA. This makes Luxembourg a FATCA partner state, which transposes FATCA provisions into national law. Provided that the sub-fund meets the requirements of the IGA, the sub-fund is not subject to any withholding tax and, in general, is not obligated to withhold any sums. In addition, the sub-fund cannot enter into any specific agreements with the IRS. Instead, the sub-fund must collect information on its unitholders and report any information that is relevant under the provisions of the IGA to the Luxembourg tax authorities, who will forward the information received to the IRS.

Potential investors should consult their tax advisers to learn about potential FATCA obligations in their specific situation.

Every unitholder and every beneficiary of a transfer of units in a sub-fund must provide the Company, or a third party designated by the Company (the "Designated Third Party"), with all information, assurances, disclaimers and forms with regard to the unitholder (or the direct or indirect owner or account holder of the unitholder) including changes in form and within the time frame reasonably requested by the Company or Designate Third Party (including electronic certification).

This information will be used to:

- a. identifies the tax domicile(s) of every unitholder;
- b. collect information that may be required by the Luxembourg tax authority under the FATCA reporting procedure; and
- c. enacts the following exemptions, reductions or repayments:
  - withholding taxes or other taxes imposed on the sub-fund by tax authorities or other government agencies (including withholding taxes imposed within the framework of the Hiring Incentives to Restore Employment Act of 2010, or any similar or subsequent laws or intergovernmental agreements, or any agreements concluded based on these laws or intergovernmental agreements);
  - amounts paid to the sub-fund; or
  - amounts assignable or distributable by the sub-fund to unitholders or beneficiaries.

If the unitholder or beneficiary in a transfer of units cannot submit the required information, assurances, disclaimers or forms to the Company or the Designated Third Party, then the Company or the Designated Third Party shall be entitled to repossess the units in any sub-fund of the relevant unitholder or beneficiary.

The Company or the Designated Third Party reserves the right to pass any and all information on the unitholders (including unitholder information that was submitted as per this subsection) to the government or tax authorities in Luxembourg, if this information may be requested within the framework of the IGA requirements.

The sub-fund is classified under FATCA as a "Collective Investment Vehicle". To maintain this chosen status, the sub-fund must ensure at all times that all investors in possession of sub-fund units are entitled to be investors. According to the FATCA-specific requirements and restrictions on U.S. investors (see above), the following persons are deemed entitled to be investors:

- exempt beneficial owners;
- active Non-Financial Foreign Entities (NFFEs); and
- Non-Participating Foreign Financial Institutions (NPFFIs).

### **Common Reporting Standard – CRS**

The OECD received a mandate by the G8/G20 countries to develop a Common Reporting Standard (CRS) to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS has been incorporated in the amended Directive on Administrative Cooperation (DAC 2), adopted on 9 December 2014, which the EU Member States had to incorporate into their national laws by 31 December 2015. In this respect, the Luxembourg CRS law dated 18 December 2015 ("AEOI Law") was published in the Mémorial A – N° 244 on 24 December 2015. The CRS requires Luxembourg Financial Institutions to identify their account holders (including in the case of an Investment Entity equity and debt holders) and establish where they are fiscally resident. In this respect, a Luxembourg Financial Institution should obtain a self-certification to establish the CRS status and/or tax residence of its investors at account opening. Luxembourg Financial Institutions will need to perform their first reporting of financial account information for the year 2016 about investors and (in certain cases) their Controlling Persons that are tax resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) to the Luxembourg tax authorities (Administration des contributions directes) by 30 June 2017. The Luxembourg tax authorities will automatically exchange this information with the competent foreign tax authorities by the end of September 2017. The Fund qualifies as "Exempt Collective Investment Vehicle (Exempt CIV)" for CRS purposes. To maintain this status, the AEOI Law requires the Fund to ensure that all of the interests in the Fund are held by or through individuals or entities that are not Reportable Persons. In this respect, the term "Reportable Person" means an individual or entity that is resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) under the tax laws of such jurisdiction other than (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a related entity of a corporation described in clause (i); (iii) a Governmental Entity; (iv) an International Organisation; (v) a Central Bank; or (vi) a Financial Institution. In addition, the AEOI Law excludes Passive Non-Financial Entities (Passive NFEs) with Controlling Persons who are Reportable Persons from the eligible investors for the Exempt CIV status. Therefore, the Fund does not accept any investor qualifying as Passive NFE and having one or more Controlling Persons who are Reportable Persons.

Data protection:

According to the AEOI Law and Luxembourg data protection rules, each individual concerned shall be informed on the processing of his/her personal data before the Luxembourg Financial Institution processes the data. If the individual qualifies as Reportable Person in the aforementioned context, the Management Company will inform the individual in accordance with the Luxembourg data protection law.

In this respect, the Management Company as Luxembourg Financial Institution will be responsible for the personal data processing and will act as data controller for the purpose of the AEOI Law.

- The personal data is intended to be processed for the purpose of the AEOI Law and the CRS/DAC 2.
- The data may be reported to the Luxembourg tax authorities (Administration des contributions directes), which may in turn continue these data to the competent authorities of one or more Reportable Jurisdictions.
- For each information request for the purpose of the AEOI Law sent to the individual concerned, the answer from the individual will be mandatory. Failure to respond within the prescribed timeframe may result in (incorrect or double) reporting of the account to the Luxembourg tax authorities.
- Each individual concerned has a right to access any data reported to the Luxembourg tax authorities for the purpose of the AEOI Law and, as the case may be, to have these data rectified in case of error.

If the individual qualifies as a Reportable Person (i.e. tax resident in a Reportable Jurisdiction) under the AEOI Law, the Fund will be required to report the individual's personal data to the Luxembourg tax authorities, which will forward the data to the tax authorities of all countries of tax residence as identified in the provided self-certification / application forms.

#### **Other Activities of the Management Company and/or the Investment Manager**

The Management Company and/or the Investment Manager and their members, officers, employees and affiliates, including those involved in the management of the SICAV, may be engaged in businesses in addition to the management of the SICAV and its Sub-Funds. The Management Company and/or the Investment Manager may have proprietary interests in, and manage and advise, other accounts or funds which may have investment objectives similar or dissimilar to those of the Sub-Funds. The attention of prospective investors is further drawn to the section on "Conflicts of Interest" below.

## CONFLICTS OF INTEREST

The interests of the fund or the sub-fund may collide with the interests of the Directors of the Management Company, the Fund Manager, the designated Distributors and those charged with carrying out distribution, the Paying and Information Agent, and all subsidiaries, affiliates, representatives or agents of the aforementioned agencies and persons ("Related Persons").

The fund has undertaken reasonable measures to avoid such conflicts of interest. When unavoidable conflicts of interest arise, the Board of Directors will endeavour to resolve them in favour of the fund or sub-fund.

In particular, it ensures that transactions on OTC markets with counterparties take place under market conditions.

UniCredit International Bank (Luxembourg) S.A. and the parent company of the Management Company, UniCredit Bank AG, are wholly owned subsidiaries of UniCredit S.p.A.

The Management Company deals with the conflicts of interest as follows:

The Management Company has contractually obliged the UniCredit International Bank (Luxembourg) S.A. to avoid conflicts of interest and, if requested, to present its principles for dealing with conflicts of interest. A description of the Conflict of Interest Policy of the UniCredit International Bank (Luxembourg) S.A. can be found under "**Investment Manager**".

In addition, the Management Company has established policies and procedures for dealing with conflicts of interest published on its website.

## **EXPENSES, FEES AND COSTS**

### **Expenses**

The SICAV pays out of its assets all expenses payable by the SICAV. These include expenses payable to the Independent Auditor, outside counsels, directors of the SICAV and other professionals.

They also include any expenses involved in registering and maintaining the registration of the SICAV with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country and administrative expenses, such as registration expenses, insurance coverage and the expenses relating to the translation and printing of this Prospectus (including the Supplements in Appendix B to this Prospectus) and the KIID and reports to Shareholders.

Expenses specific to a Sub-Fund or class of Shares will be borne by that Sub-Fund or class of Shares. Expenses that are not specifically attributable to a particular Sub-Fund or class of Shares may be allocated among the relevant Sub-Funds or classes of Shares based on their respective net assets or any other reasonable basis given the nature of the expenses.

For the avoidance of doubt, these fees refer to incorporation fees of the SICAV.

If a new Sub-Fund is created in the future, charges relating to the creation of such new Sub-Fund will be borne by the Sub-Fund exclusively and will be charged to the Sub-Fund immediately or, upon the Board of Directors' decision, amortized over a period of 5 years with effect from the launch date of the said Sub-Fund. The newly created Sub-Fund shall not bear a pro rata of the costs and expenses incurred in connection with the formation of the SICAV and the initial issue of Shares in the initial Sub-Funds, which have not already been written off at the time of the creation of the new Sub-Fund.

### ***Investors Transactions Fee***

Sales and/or redemption charges and/or a Conversion Fee may be applied to any subscription, redemption and/or conversion of shares respectively, as further detailed hereinafter.

### ***Dilution Levy***

In certain circumstances, the value of the property of a Sub-Fund may be reduced as a result of charges incurred in dealings in the Sub-Fund's investments and of any spread between the buying and selling prices of these investments. In order to offset this effect, known as "dilution", and the consequent potential adverse effect on the existing or remaining Shareholders, the Board of Directors has the power to charge a "dilution levy" when Shares are bought or sold. If charged, the dilution levy will be shown in addition to (and not part of) the subscription price or redemption price of the Shares, as the case may be, in the relevant documentation. If charged, the dilution levy would be paid to the SICAV and would become part of the property of the relevant Sub-Fund thus protecting the value of the remaining Shareholders' interests. It is not, however, possible to predict accurately whether dilution will occur at any future point in time.

Any dilution levy charged must be fair to all Shareholders and potential Shareholders. In particular, the dilution levy may be charged in the following circumstances:

- (a) on a Sub-Fund experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- (b) on a Sub-Fund experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size;

- (c) in any other case where the Board of Directors is of the opinion that the interests of existing/continuing Shareholders and potential Shareholders require the imposition of a dilution levy.

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

Details of the dilution levy for each Sub-Fund are set out in the relevant Supplement.

## **Fees**

### ***Management Company Fee***

In remuneration for its services, the Management Company is entitled to receive a total Management Company Fee from the SICAV up to 0.12% per annum per Sub-Fund with a minimum of EUR 20,000.- per year and per Sub-Fund.

These fees are calculated as the average of the Net Asset Value of the previous quarter and invoiced quarterly in arrears, as agreed from time to time in writing but accrued on a daily basis.

### ***Investment Management Fee***

The SICAV pays an Investment Management fee out of its assets a fee as described in the Supplement in Appendix B to this Prospectus. The basis for the calculation of the fees will exclude, and the Investment Manager will not be entitled to any fees in respect of, the part of the net assets of any Sub-Fund invested in UCI with which the Investment Manager is linked by common management or control.

For the avoidance of doubt, any fees paid to the investment advisor (if any) will be paid by the Investment Manager out of its own fee.

### ***Depository Fee***

In consideration of its depository services and in accordance with usual practice in Luxembourg, the Depository will be entitled to an annual depository fee which shall not exceed 0.032% p.a. plus additional transaction fees.

Furthermore, the Depository charges a fee per operation on securities (delivery or receipt).

In addition, the Depository is entitled to be reimbursed by the SICAV its reasonable out-of-pocket expenses and the fees charged to it by any correspondent bank or other agent (including any clearing system).

### ***Transfer Agent Fee / Paying Agent Fee***

The Transfer Agent shall receive a maintenance fee of 1,200 EUR per Sub-Fund per annum. Further, the Transfer Agent shall receive account setup fees and transaction processing fees. The Paying Agent shall receive a fee up to 20 EUR per dividend payment, if applicable.

### ***Administrative Agent Fee***

In remuneration for its services, the Administrative Agent is entitled to receive a total Administrative Agent Fee from the SICAV up to 0.040% per annum with a minimum of EUR 13,800.- per year (first year: EUR 10,350)

These fees are calculated as the average of the Net Asset Value of the previous quarter and invoiced quarterly in arrears, as agreed from time to time in writing but accrued on a daily basis.

### ***Company Secretary Fee (Domiciliation)***

As remuneration the Domiciliary Agent is entitled to a flat fee of EUR 10, 000 per year.

### ***Performance Fee***

The Investment Manager may also be entitled to a Performance Fee equal to a percentage of the out-performance attributable to each class of Shares of a Sub-Fund during a performance period, calculated on the basis of the Net Asset Value per Share, as described in the Supplement in Appendix B to this Prospectus.

For the avoidance of doubt, the SICAV pays the entire Performance Fee, as laid down in the Supplement in Appendix B to this Prospectus to the Investment Manager.

### ***Distribution Fee***

The Management Company is in charge of the distribution function. It may delegate the distribution function to a third party which may act as distributor of the SICAV and a Distribution Fee subject to the respective distribution agreement will be paid by the SICAV.

### ***Fees related to local paying agents, correspondent banks or similar entities***

In relation with the registration of the SICAV in foreign countries, additional amounts of fees may be charged on the assets of the SICAV in connection with the duties and services of local paying agents, correspondent banks or similar entities.

### ***Fees to be paid by Master/Feeder Sub-Funds***

When a Sub-Fund invests in the shares/units of a Master, the Master may not charge subscription or redemption fees or dilution levy on account of the Sub-Fund investment in the shares/units of the Master.

Should a Sub-Fund qualify as a Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in the Appendix B to this Prospectus. In its annual report, the SICAV shall include a statement on the aggregate charges of both the Feeder and the Master.

Should a Sub-Fund qualify as a master fund of another UCITS, the Feeder will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.

The maximum level of the Management Company Fee that may be charged both to the Feeder and to the Master is disclosed in this Prospectus. The SICAV indicates the maximum proportion of the Management Company Fee charged both to the Sub-Fund itself and to the Master in its annual report. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the disinvestment thereof.

At present, this section is not applicable to the current Sub-Funds within the SICAV.



## **SUBSCRIPTION, TRANSFER, CONVERSION AND REDEMPTION OF SHARES**

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

### **Market Timing Policy**

The SICAV does not knowingly allow investments which are associated with market timing practice, as such practices may adversely affect the interests of all Shareholders.

As per the CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset values of the sub-funds of the UCI.

Opportunities may arise for the market timer either if the Net Asset Values of the Sub-Funds are calculated on the basis of market prices which are no longer up to date (stale prices) or if the Sub-Funds are already calculating the Net Asset Value when it is still possible to issue orders.

Market timing practices are not acceptable as they may affect the performance of the SICAV through an increase of the costs and/or entail a dilution of the profit.

Accordingly, the Board of Directors and/or any of its duly appointed representatives may, whenever they deem it appropriate and at their sole discretion, cause the Registrar and Transfer Agent and the Administrative Agent, respectively, to implement any of the following measures:

- cause the Registrar and Transfer Agent to reject any application for conversion and/or subscription and/or redemption of Shares from investors whom the former considers market timers;
- the Registrar and Transfer Agent may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices;
- if a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, during periods of market volatility, cause the Administrative Agent to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the point of valuation.

In addition, the Board of Directors and/or any of its duly appointed representatives reserve the right to levy an additional fee of up to 5% of the Net Asset Value of the Shares converted/subscribed/redeemed if the Board of Directors and/or any of its duly appointed representatives consider that the applying investor is engaging in excessive trading (market-timing) practices. Any such fee shall be levied for the benefit of the Sub-Fund concerned.

### **Late Trading Policy**

Furthermore, the SICAV will ensure that the relevant cut-off time for requests for subscriptions, redemptions, or conversions are strictly complied with and will therefore take adequate measures to prevent practices known as "late trading".

## **Subscription of Shares**

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

No investor may subscribe initially for less than the amount of the minimum initial investment amount (if any) indicated in each Sub-Fund's Supplement in Appendix B to this Prospectus, save if a derogation from such minimum initial investment amount has been obtained from the Board of Directors in accordance with the below.

There may be a minimum investment amount for subsequent investments in the Shares, as indicated in each Sub-Fund's Supplement in Appendix B to this Prospectus; no investor may subscribe for less than such minimum subsequent investment amount, save if a derogation from such amount of minimum subsequent investment has been obtained from the Board of Directors in accordance with the below.

No investor may transfer or ask for the redemption of a portion of his/her/its Shares of any class if the transfer or redemption would cause the investor's holding amount of that class of Shares to fall below the minimum holding amount indicated in each Sub-Fund's Supplement in Appendix B to this Prospectus.

The Board of Directors may, provided that equal treatment of Shareholders be complied with, grant Shareholders an exception from the conditions of minimum initial investment amount, minimum subsequent investment amount and minimum holding amount of Shares and accept a subscription request below the minimum initial or subsequent investment amount and/or redemption request that would cause the investor's holding in any Sub-Fund to fall below the minimum holding amount. Such an exception may only be made in favor of Shareholders and investors who understand and are able to bear the risk linked to an investment in the relevant Sub-Fund, on exceptional basis and in specific cases.

### ***Sales Charge & Dilution Levy***

Any Intermediary, at its discretion and subject to applicable laws and regulations, may on a negotiated basis enter into private arrangements with a Shareholder or prospective Shareholder under which it is entitled to make payments to the Shareholders of part or all of such sales charge. The actual amount of the sales charge is determined by the Intermediary through which the subscription of Shares is made and paid to the latter by the relevant Sub-Fund as remuneration for its intermediary activity.

Investors should be aware that the subscription of Shares may also be subject to a sales charge equal to a percentage of the Net Asset Value of the Shares being subscribed as indicated (if any) in each Sub-Fund's Supplement in Appendix B to this Prospectus when investors are subscribing directly to the Shares without passing their subscription orders through Intermediaries. In such case, the sales charge will revert to the relevant Sub-Fund.

In case the relevant Sub-Fund is a Master, the relevant Feeder will not pay any sales charge or any dilution levy.

**Before subscribing for Shares, please ask the relevant Intermediary whether a sales charge will apply to your subscription and the actual amount of that sales charge.**

In addition, a dilution levy, as set forth for each Sub-Fund in the relevant Supplement, may be charged.

### ***Procedure of Subscription***

**Subscription Application:** any investor, or Shareholder, intending to subscribe initially for, or for additional, Shares must complete an application form. Application forms are available at the registered office of the SICAV or at the registered office of the Registrar and Transfer Agent, and should be sent to the registered office of the Registrar and Transfer Agent.

The application for subscription of Shares must notably include:

- a) the monetary amount or the number of shares the investor or Shareholder wishes to subscribe, and;
- b) the Sub-Fund and relevant class(es) of Shares (and ISIN code thereof) from which Shares are to be subscribed.

The Registrar and Transfer Agent may request an investor/Shareholder to provide additional information to substantiate any representation made by the investor/Shareholder in his/her/its application. Any application that has not been completed to the satisfaction of the Registrar and Transfer Agent will be rejected. The Registrar and Transfer Agent shall seek the opinion of the Board of Directors before rejecting an order. Applications not complying with the requirements of each Sub-Fund's Supplement in Appendix B to this Prospectus in terms of minimum (initial/subsequent) investment amount (if any) may be processed late due to the fact that a derogation from such requirements needs to be obtained from the Board of Directors. In particular, any application for subscription of Shares which will not be supported by all the documentation required by the relevant anti-money laundering legislation, will not be accepted by the Registrar and Transfer Agent; the latter will inform the investor/Shareholder of the missing documentation and will ask the investor/Shareholder to hold off sending to the Registrar and Transfer Agent the funds related to the subscription until all the documentation required will have been received by the Registrar and Transfer Agent. In case of reception of any funds prior to the reception of all the documentation required, the Registrar and Transfer Agent will not credit any interest to the investor/Shareholder for those funds which could only be accepted for subscription of Shares if and when all the documentation required will have been received. In addition, the Board of Directors in its sole discretion, may at any time suspend or close the sale of any or class (es) of Shares.

The Registrar and Transfer Agent will send to each investor automatically a confirmation of each subscription of Shares, after the shares have been subscribed to i.e. after the respective NAV calculation.

Subscriptions will be accepted upon verification by the SICAV that the relevant investors have received a KIID available at [www.morabanc.ad](http://www.morabanc.ad) and [www.structuredinvest.lu](http://www.structuredinvest.lu) and at the SICAV's registered office.

**Subscription Date and Purchase Price:** Shares may be subscribed as referred to in the relevant Sub-Fund's Supplement in Appendix B to this Prospectus. Except during the initial offering period of a new Sub-Fund, the subscription date for any subscription application shall be as indicated in the relevant Sub-Fund's Supplement in Appendix B to this Prospectus. For each Sub-Fund, subscription orders which are not received by the SICAV before the cut-off time, as specified under the relevant Sub-Fund's Supplement in Appendix B to this Prospectus, will be automatically processed on the next applicable subscription date, unless otherwise decided by the Board. The purchase price for any subscription application will be the sum of the Net Asset Value of such Shares on the relevant Valuation Day plus any applicable sales charge.

Investors should note that they will not know the actual purchase price of their Shares until their order has been fulfilled.

**Payment:** each investor/Shareholder must pay the purchase price, within the time frame, as determined in the relevant Sub-Fund's Supplement in Appendix B to this Prospectus, which shall not exceed five (5) Business Days from the relevant Valuation Day. Please note that the investor's obligation to settle the purchase price in accordance with the deadlines set out in the relevant Sub-Fund's Supplement in Appendix B to this Prospectus is not dependent on the investor's/Shareholder's receipt of a fax confirmation of his/her/its trade. Purchase price must be settled in accordance with the relevant deadline, regardless of any delay in the issue of a fax confirmation to the investor.

The purchase price must be paid by electronic bank transfer only, as specified in the application form. The SICAV may accept subscriptions in kind at its discretion, provided that the SICAV determines that (i) the contribution in kind is not detrimental to the relevant Sub-Fund, (ii) the assets to be contributed in kind are conform to the investment policy and restrictions of the relevant Sub-Fund and (iii) the contribution in kind is effected in compliance with the conditions set forth by Luxembourg law, in particular (as the case may be in accordance with Article 26-1 of the Company Law) the obligation to deliver a valuation report from the Independent Auditor which shall be available for inspection. Any costs incurred in connection with a contribution in kind shall be borne by the relevant Shareholders. The purchase price must be paid in the Base Currency of the Sub-Fund or in the unit currency of the relevant class(es) of Shares.

### ***Luxembourg Regulations on the Combat against Anti-Money Laundering and Terrorism Financing***

In an effort to deter money laundering, the SICAV, the Management Company, the Distributor or any sub-distributor, and the Registrar and Transfer Agent must comply with all applicable international and Luxembourg laws and circulars regarding the prevention of money laundering and in particular with Luxembourg law dated November 12, 2004 on the combat against money laundering and terrorism financing, as amended. To that end, the SICAV, the Management Company, the Distributor or sub-distributor and the Registrar and Transfer Agent may request, store and process information necessary to establish the identity of a potential investor and the beneficial owner ( in the case no beneficial owner can be identified is identified or if there is any doubt that the person(s) identified are the beneficial owner(s) the natural person(s) who hold the position of senior managing official(s) is (are) to be considered as beneficial owner) as well as the origin of subscription proceeds as required by applicable law. Failure to provide documentation may result in a delay or rejection by the SICAV of any subscription or exchange or a delay in payout of redemption of Shares by such investor.

Regarding the data requested, stored and processed in connection with the identification process, the above mentioned provisions on "**Data Protection**" apply.

### **Transfer of Shares**

A Shareholder may transfer Shares (the "**Transferor**") to one or more other persons (the "**Transferee**"), provided that all Shares have been paid in full with cleared funds.

In order to transfer Shares, the Transferor must notify the Registrar and Transfer Agent of the proposed date and the number of Shares transferred.

**The Registrar and Transfer Agent only will recognize a transfer with a future date. In addition, each transferee must complete an application form.**

The Transferor should send his/her/its notice and each completed application form to the SICAV at its registered office.

The Registrar and Transfer Agent may request the Transferee to provide additional information to substantiate any representation made by the Transferee in his/her/its application. Any application that has not been completed to the satisfaction of the Registrar and Transfer Agent will be rejected.

The Registrar and Transfer Agent will not effectuate any transfer until it is satisfied with the form of notice and has accepted each transferee's subscription application.

Any Transferor and each Transferee, jointly and separately, agrees to hold the Sub-Fund and each of its agents harmless with respect to any loss suffered by one or more of them in connection with a transfer.

## **Redemption of Shares**

A Shareholder may request the SICAV to redeem some or all of the Shares he/she/it holds in the SICAV. If, as a result of any redemption request, the number of Shares held by any Shareholder in a class would fall below the minimum holding amount for that class of Shares (if any) the SICAV may treat such request as a request to redeem the full balance of such Shareholder's holding of Shares in the relevant class of Shares. Shares may be redeemed on such days as referred to in the relevant Sub-Fund's description in the relevant Supplement in Appendix B to this Prospectus.

If the aggregate value of the redemption and conversion requests received by the SICAV in a Sub-Fund for any Valuation Day corresponds to more than 10% of the net assets of such Sub-Fund, the SICAV may defer part or all of such redemption and conversion requests for such period as it considers to be in the best interest of the Sub-Fund and its Shareholders. Any deferred redemption or conversion shall be treated with priority to any further redemption or conversion requests received for any following Valuation Day in that Sub-Fund.

### ***Redemption Notice***

Any Shareholder intending to redeem Shares must notify the Register and Transfer Agent at its registered office.

That notice must notably include the following:

- the Shareholder's name, as it appears on the Shareholder's account, his or her address or its registered office and account number;
- the Sub-Fund and relevant class(es) of Shares (and ISIN code thereof) from which Shares are to be redeemed;
- the number of Shares of each class of Shares or amount of Shares of each class of Shares to be redeemed; and
- the bank details of the beneficiary of redemption proceeds.

Shareholders are made aware that for certain Sub-Funds and/or classes of Shares, redemptions may only be accepted in monetary amount and should refer to the relevant Sub-Fund's Supplement in Appendix B to this Prospectus in order to know if such restriction applies.

The Registrar and Transfer Agent may request the Shareholder to provide additional information to substantiate any representation made by the latter in the notice. The Registrar and Transfer Agent will reject any redemption notice that has not been completed to its satisfaction. Payments will only be made to the Shareholder of record, provided that all the documentation required by the relevant anti-money laundering legislation for the Shareholder will have been received by the Registrar and Transfer Agent; no third-party payments will be made.

Any Shareholder redeeming Shares agrees to hold the SICAV and each of its agents harmless with respect to any loss suffered by one or more of them in connection with that redemption.

### ***Redemption Date and Redemption Price***

The redemption date for any redemption notice shall be as indicated in the relevant Sub-Fund's Supplement in Appendix B to this Prospectus. For each Sub-Fund, redemption orders which are not received by the SICAV before the cut-off time, as specified under the relevant Sub-Fund's Supplement in Appendix B to this Prospectus, will be automatically processed on the next applicable redemption date, unless otherwise decided by the Board. The redemption price for any redemption notice will be based on the Net Asset Value of such Shares on the relevant Valuation Day, subject to any redemption charge (as applicable) of a percentage of the Net Asset Value of the Shares being redeemed, as may be indicated in each Sub-Fund's Supplement in Appendix B to this Prospectus.

The actual amount of the redemption charge is determined by the Intermediary through which the redemption of Shares is made and paid to the latter by the relevant Sub-Fund as remuneration for its intermediary activity. Such Intermediary, at its discretion and subject to applicable law and regulations, may on a negotiated basis enter into private arrangements with a holder or prospective holder of Shares under which it is entitled to make payments to the holders of Shares of part or all of such redemption charge. Investors should be aware that the redemption of Shares may also be subject to a redemption charge of a percentage of the Net Asset Value of the Shares being redeemed as indicated in each Sub-Fund's Supplement in Appendix B to this Prospectus when the investors are redeeming directly to the Shares without passing their redemption orders through Intermediaries. In such case, the redemption charge will revert to the relevant Sub-Fund.

In addition, a dilution levy, as set forth for each Sub-Fund in the relevant Supplement, may be charged. Investors should note that they will not know the redemption price of their Shares until their redemption request has been processed.

### ***Payment***

The SICAV will pay the Shareholder redemption proceeds as determined in the relevant Sub-Fund's Supplement in Appendix B to this Prospectus. However, Shareholders should be aware that different settlement procedures may apply in certain jurisdictions in which the SICAV is registered for public distribution, due to local constraints. The SICAV is not responsible for any delays or charges incurred at any receiving bank or settlement system. If, in specific circumstances and for whatever reason, redemption proceeds cannot be paid within the terms as determined in the relevant Sub-Fund's Supplement in Appendix B to this Prospectus, the payment will be made as soon as reasonably practicable thereafter. Shareholders should therefore contact their local paying agent to know the exact timeframe applicable to the settlement of their redemptions proceeds.

Except as otherwise provided herein, the redemption proceeds will be paid, within the time frame, as determined in the relevant Sub-Fund's Supplement in Appendix B to this Prospectus, which shall not exceed five (5) Business Days from the relevant Valuation Day, by electronic bank transfer in accordance with the instructions in the redemption notice as accepted. All costs associated with that payment will be borne by the Shareholder.

Redemption proceeds will be paid in the relevant Base Currency or the unit currency of the relevant class (es) of Shares. However, if a Shareholder requests payment in another currency, the SICAV or its agent will make reasonable efforts to convert such payment into the currency requested. All costs associated with the conversion of that payment will be borne by the Shareholder, whether such conversion actually is made. Neither the SICAV nor any agent of the SICAV shall be liable to a Shareholder if the SICAV or agent is unable to convert and pay into a currency other than the relevant Base Currency or unit currency.

Neither the SICAV nor any of its agents shall pay any interest on redemption proceeds or make any adjustment on account of any delay in making payment to the Shareholder. Any redemption proceeds that have not been claimed within 5 years following the redemption date shall be forfeited and shall accrue for the benefit of the relevant Sub-Fund.

In case the relevant Sub-Fund is a Master, the relevant Feeder will not pay any redemption charge or any dilution levy.

### ***Forced Redemption and restriction of ownership of Shares***

The SICAV and/or any of its duly appointed agents may immediately redeem some or all Shares if the SICAV and/or any of its duly appointed agents believe that:

- the Shareholder's (including a nominee) continued presence as a Shareholder would cause irreparable harm, or may in some other manner be detrimental, to the SICAV or the other Shareholders;

- the Shareholder's (including a nominee) continued presence as a Shareholder may involve the SICAV in being subject to taxation in a country other than the Grand-Duchy of Luxembourg
- the Shareholder (including a nominee), by trading Shares frequently, is causing the relevant Sub-Fund to incur higher portfolio turnover and thus, causing adverse effects on the Sub-Fund's performance, higher transactions costs and/or greater tax liabilities; or
- the Shareholder's (including a nominee) continued presence as a Shareholder would result in a breach of any law or regulation, whether Luxembourg or foreign, by the SICAV and/or any of its services providers.

**The SICAV will immediately redeem the Shares corresponding to any subscription not paid for in accordance with the procedure of subscription above, and the investor submitting the subscription will be liable to the SICAV and each of its agents for any loss incurred by them, individually and collectively, as a result of such forced redemption.**

### ***Redemptions in Kind***

Any Shareholder may ask the SICAV to redeem those Shares in kind, provided that the SICAV determines that the redemption would not be detrimental to the remaining Shareholders and the redemption is effected in compliance with the conditions set forth by Luxembourg law, in particular, as the case may be, the obligation to deliver a valuation report from the Independent Auditor which shall be available for inspection. Any costs incurred in connection with a redemption in kind shall be borne by the relevant Shareholders.

### **Conversion of Shares for (i) Shares of an equivalent class of Shares within another Sub-Fund or (ii) Shares of a different class of Shares within the same or another Sub-Fund**

#### ***General***

Subject to the provisions of each Sub-Fund's description in the relevant Supplement in Appendix B to this Prospectus, any Shareholder may in principle request the conversion of his/her/its Shares for (i) Shares of an equivalent class of Shares within another Sub-Fund or (ii) Shares of a different class of Shares within the same or another Sub-Fund. Such conversion request will be treated as a redemption and subsequent subscription of Shares. Consequently, any Shareholder requesting such conversion must comply with the procedures of subscription and redemption, as well as with all other requirements notably relating to investor qualifications and minimum investment and holding amounts, if any, applicable to each Sub-Fund.

If Shares are converted for Shares of another class of Shares or Sub-Fund having the same or a lower sales charge, no additional charge shall be levied. If Shares are converted for Shares of another class of Shares or Sub-Fund having a higher sales charge, the conversion may be subject to a Conversion Fee.

If the aggregate value of the redemption and conversion requests received by the SICAV in a Sub-Fund for any Valuation Day corresponds to more than 10% of the net assets of such Sub-Fund, the SICAV may defer part or all of such redemption and conversion requests for such period as it considers to be in the best interest of the Sub-Fund and its Shareholders. Any deferred redemption or conversion shall be treated with priority to any further redemption or conversion requests received for any following Valuation Day in that Sub-Fund.

#### ***Conversion Date***

The conversion of Shares between Sub-Funds having different valuation frequencies may only be effected on such days as more fully described under each Sub-Fund's Supplement in Appendix B to this Prospectus, as the case may be.

To exercise the right to convert Shares, Shareholders must deliver a conversion order in proper form to the Registrar and Transfer Agent of the SICAV at its registered office.

For each Sub-Fund, conversion orders which are not received by the SICAV before the cut-off time, as specified under the relevant Sub-Fund's Supplement in Appendix B to this Prospectus, will be automatically processed on the next applicable conversion date, unless otherwise decided by the Board.

The number of Shares in the newly selected Sub-Fund or class of Shares will be calculated in accordance with the following formula:

$$A = (B \times C \times D) \times (1 - E) / F$$

where:

- A is the number of Shares to be allocated in the new class;
- B is the number of Shares of the original class to be converted;
- C is the Net Asset Value per Share of the original class on the relevant Valuation Day;
- D is the actual rate of exchange on the day concerned in respect of the unit currency of the original class and the unit currency of the new class;
- E is the Conversion Fee percentage (if any) payable per Share;
- F is the Net Asset Value per Share of the new class on the relevant Valuation Day.

Request for conversions will be accepted upon verification by the SICAV that the investors have received the relevant KIID available at [www.morabanc.ad](http://www.morabanc.ad) and [www.structuredinvest.lu](http://www.structuredinvest.lu) and at the SICAV's registered office.

In case the relevant Sub-Fund is a Master, the relevant Feeder will not pay any conversion fee or any dilution levy.

### **Intermediaries**

The Board of Directors may appoint Intermediaries to offer and sell the Shares to investors and handle investors' subscription, redemption, conversion or transfer requests. The Board of Directors has appointed the Registrar and Transfer Agent to take appropriate measures towards the prevention of money laundering. In such case, identification documents of the beneficial owners of the Shares should be communicated to the Registrar and Transfer Agent.

Subject to the law of the countries where Shares are offered, such Intermediaries may, with the agreement of the Board of Directors and the investor concerned, act as nominees for the investor.

As a nominee, the Intermediary shall, in its name but as agent for the investor, apply for subscription, conversion or redemption of Shares for the account of its client and request registration of such operations in the Sub-Fund's Share register in its own name.

Nominees are authorized to carry on their activities abroad, provided that they are financial professionals who are subject to equivalent customer identification requirements to those prescribed by Luxembourg law.

The following professionals are deemed to be subject to equivalent identification requirements:

- financial professionals authorized to carry on their activities in Luxembourg pursuant to Chapters 1, 2 or 3 of the law of 5 April 1993 on the financial sector, as amended;



- financial professionals authorized to carry on their activities abroad, provided that they are resident in an EU Member State which has introduced the provisions of EU Directive 2015/849/EC;
- branches and qualifying subsidiaries of the financial professionals referred to in the two preceding sub-paragraphs, to the extent that the law that applies to the financial professionals in question or a statutory or professional obligation pursuant to a group policy requires the professionals to ensure that their branches and subsidiaries also observe the same provisions.

Notwithstanding the foregoing, an investor may invest directly in the SICAV without using the nominee's service. The agreement between the investor and the nominee shall contain a provision or, if such is not the case, shall be deemed to include a provision that gives the investor the right to exercise his title to the Shares subscribed through the nominee. However, the aforesaid provisions are not applicable for Shareholders who have acquired Shares in countries where the use of the services of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

The Board of Directors may, at any time, require Intermediaries who act as nominees to make additional representations to comply with any changes in applicable laws or requirements.

## DETERMINATION OF THE NET ASSET VALUE

### **Valuation Day**

The SICAV calculates the Net Asset Value of each class of Shares for each Valuation Day as is indicated for each Sub-Fund in the relevant Supplement in Appendix B to this Prospectus.

The SICAV may, notably for track record and risk management purposes, calculate Net Asset Values even on days where subscription, redemption and conversion are not accepted, as may be more fully described for each Sub-Fund in the relevant Supplement in Appendix B to this Prospectus.

### **Method of Calculation**

The Net Asset Value of each Share of any one class of Shares on any day that any Sub-Fund calculates its Net Asset Value is determined by dividing the value of the portion of assets attributable to that class of Shares less the portion of liabilities attributable to that class of Shares, by the total number of Shares of that class of Shares outstanding as of such day.

The Net Asset Value per Share of each class of Shares shall be available at the registered office of the SICAV on the day as mentioned for each Sub-Fund in its Supplement in Appendix B to this Prospectus.

A Net Asset Value may be calculated on Business Days different from the applicable Valuation Day for each Sub-Fund. Such Net Asset Value is only indicative and is available for information purposes only. It is based on the previous available Net Asset Values with an adjustment for the expense accrual and is made available at the registered office of the SICAV within 2 Business Days. Each Sub-Fund's Supplement in Appendix B to this Prospectus gives details on the pages at which the aforementioned indicative Net Asset Value (if any) may be found.

The Net Asset Value of each class of Shares shall be determined in the unit currency of the relevant class of Shares.

The Net Asset Value of each class of Shares may be rounded to the nearest ten-thousandth of the unit currency in accordance with the SICAV's guidelines.

The value of each Sub-Fund's assets shall be determined as follows:

- (i) the value of any cash in hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be 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 shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
- (ii) the value of Transferable Securities, Money Market Instruments and any financial assets listed or dealt in on a stock exchange of an Other State or on a Regulated Market, or on any Other Regulated Market of a Member State or of an Other State, shall be based on the last available closing or settlement price in the relevant market prior to the time of valuation, or any other price deemed appropriate by the Board of Directors;
- (iii) the value of any assets held in a Sub-Fund which are not listed or dealt in on a stock exchange of an Other State or on a Regulated Market or on any Other Regulated Market of a Member State or of an Other State or if, with respect to assets quoted or dealt in on any stock exchange or dealt in on any such Regulated Markets, the last available closing or settlement price is not representative of their value, such assets are stated at fair market value or otherwise at the fair value at which it is expected they may be resold, as determined in good faith by or under the direction of the Board of Directors;

- (iv) units or shares of open-ended UCI/UCITS will be valued at their last determined and available official net asset value as reported or provided by such UCI/UCITS or their agents, or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the SICAV on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued in accordance with the valuation rules set out in items (ii) and (iii);
- (v) the liquidating value of futures, forward or options contracts not traded on a stock exchange of an Other State or on Regulated Markets, or on Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established prudently and in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on a stock exchange of an Other State or on Regulated Markets, or on other Regulated Markets shall be based upon the last available settlement or closing prices as applicable to these contracts on a stock exchange or on Regulated Markets, or on other Regulated Markets on which the particular futures, forward or options contracts are traded on behalf of the SICAV; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;
- (vi) interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve.

Credit default swaps are valued on the frequency of the Net Asset Value founding on a market value obtained by external price providers. The calculation of the market value is based on the credit risk of the reference party respectively the issuer, the maturity of the credit default swap and its liquidity on the secondary market. The valuation method is recognised by the Board of Directors and checked by the Independent Auditor.

Total return swaps will be valued at fair value under procedures approved by the Board of Directors. As these swaps are not exchange-traded, but are private contracts into which the SICAV and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for total return swaps near the Valuation Day. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used, provided that appropriate adjustments will be made to reflect any differences between the total return swaps being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, a broker, an external pricing agency or a counterparty.

If no such market input data are available, total return swaps will be valued at their fair value pursuant to a valuation method adopted by the Board of Directors which shall be a valuation method widely accepted as good market practice (i.e. used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the Board of Directors may deem fair and reasonable be made. The Independent Auditor will review the appropriateness of the valuation methodology used in valuing total return swaps. In any way the SICAV will always value total return swaps on an arm-length basis.

All other swaps will be valued at fair value as determined in good faith pursuant to procedures established by the Board of Directors;

- (vii) the value of contracts for differences will be based, on the value of the underlying assets and vary similarly to the value of such underlying assets. Contract for differences will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors;
- (viii) assets or liabilities denominated in a currency other than that in which the relevant net asset value will be expressed, will be converted at the relevant foreign currency spot rate on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by, or pursuant to procedures established by the board of directors of the SICAV. In that context account shall be taken of hedging instruments used to cover foreign exchanges risks;

- (ix) index or financial instrument related swaps will be valued at fair 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, which is subject to parameters such as the level of the index, the interest rates, the equity dividend yields and the estimated index volatility.

When required, an appropriate model, as determined by the Board of Directors, will be used to value the various sub-fund strategies. The Board of Directors has the right to check the valuations of the swap agreements by comparing them with valuations requested from a third party produced on the basis of retraceable criteria. In the event of any doubt, the Board of Directors is obliged to have the valuations checked by a third party. The valuation criteria must be chosen in such a way that they can be controlled by the SICAV's independent auditors. Furthermore, the independent auditors will carry out their audit of the SICAV, including procedures relating to the swap agreements.

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

The SICAV also may value securities at fair value or estimate their value pursuant to procedures approved by the SICAV in other circumstances such as when extraordinary events occur after the publication of the last market price but prior to the time the Sub-Funds' Net Asset Value is calculated.

The effect of fair value pricing as described above for securities traded on exchanges and all other securities and instruments is that securities and other instruments may not be priced on the basis of quotations from the primary market in which they are traded. Instead, they may be priced by another method that the SICAV believes is more likely to result in a price that reflects fair value. When fair valuing its securities, the SICAV may, among other things, use modeling tools or other processes that take into account factors such as securities market activity and/or significant events that occur after the publication of the last market price and before the time a Sub-Fund's Net Asset Value is calculated.

On any Valuation Day the Board may determine to apply an alternative valuation methodology to the Net Asset Value per Share. If on any Valuation Day the aggregate transactions of all classes of Shares of a Sub-Fund result in a net increase or decrease of Shares which exceeds a threshold set by the Board, from time to time for that Sub-Fund (relating to the cost of market dealing for that Sub-Fund), the Net Asset Value of the relevant Sub-Fund will be adjusted by an amount which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. The adjustment (not exceeding 2% of the net assets of the relevant Sub-Fund) will be an addition when the net movement results in an increase of the Shares linked to the Sub-Fund and a deduction when it results in a decrease. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Where a Sub-Fund invests substantially in government bonds or money market securities, the Board may decide that it is not appropriate to make such an adjustment.

Trading in most of the portfolio securities of the Sub-Funds takes place in various markets outside Luxembourg on days and at times other than when banks in Luxembourg are open for regular business. Therefore, the calculation of the Sub-Funds' Net Asset Values does not take place at the same time as the prices of many of their portfolio securities are determined, and the value of the Sub-Funds' portfolio may change on days when the SICAV is not open for business and its Shares may not be purchased or redeemed. The value of any asset or liability not expressed in a Sub-Fund's Base Currency will be converted into such currency at the latest rates quoted by any major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Administrative Agent.

### **Temporary Suspension of Calculation of the Net Asset Value**

The SICAV may temporarily suspend the calculation of the Net Asset Value per Share within any Sub-Fund, and accordingly the issue and redemption of Shares of any Sub-Fund:

- during any period when any of the principal stock exchanges, Regulated Market or any Other Regulated Market in a Member State or in an Other State on which a substantial part of the SICAV's investments attributable to such Sub-Fund is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or
- when political, economic, military, monetary or other emergency events beyond the control, liability and influence of the SICAV make the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders; or
- during any breakdown in the means of communication network normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange in respect of the assets attributable to such Sub-Fund; or
- during any period when the SICAV is unable to repatriate funds for the purpose of making payments on the redemption of shares of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- during any period when for any other reason the prices of any investments owned by the SICAV, including in particular the Derivatives and repurchase transactions entered into by the SICAV in respect of any Sub-Fund, cannot promptly or accurately be ascertained; or
- during any period when the Board of Directors so decides, provided all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) as soon as an extraordinary general meeting of Shareholders of the SICAV or a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the SICAV or a Sub-Fund and (ii) when the Board of Directors is empowered to decide on this matter, upon its decision to liquidate or dissolve a Sub-Fund; or
- following the suspension of (i) the calculation of the net asset value, (ii) the issue, (iii) the redemptions and/or (iv) the conversions of shares/units of the Master in which the SICAV or a Sub-Fund invests as its Feeder.

Any suspension shall be published, if appropriate, by the SICAV and Shareholders requesting subscription, conversion or redemption of their Shares shall be notified by the SICAV of the suspension at the time of the filing of the written request for such subscription, conversion and redemption. The suspension as to any Sub-Fund will have no effect on the determination of Net Asset Value and the issue, redemption or conversion of Shares in any class of the other Sub-Funds.

### **Historical Performance**

The Sub-Funds present their performance as average annual total return, reflecting all charges and expenses accrued by the relevant Sub-Fund. Performance does not include any adjustment for sales charges and does not consider any tax consequence to Shareholders as a result of investing in Shares.

The Sub-Funds, when presenting their average annual total return, also may present their performance using other means of calculation, and may compare their performance to various benchmarks and indices.

Past performance is not necessarily indicative of future results. Past performance of the Sub-Funds launched since a full year or more at the date of the present Prospectus is disclosed for each Sub-Fund in the relevant KIID issued for such Sub-Fund.

## TAXATION

The foregoing is based on the Board of Directors' understanding of the law and practice currently in force in Luxembourg and subject to changes therein. It should not be taken as constituting legal or tax advice and investors are advised to obtain information and, if necessary, advice regarding the laws and regulations applicable to them by reason of the subscription, purchase, holding and realization of Shares in their countries of origin, residence or domicile.

### **Taxation of the SICAV**

The SICAV is not subject to any Luxembourg tax on interest or dividends received by any Sub-Fund, any realized or unrealized capital appreciation of Sub-Fund's assets or any distribution paid by any Sub-Fund to Shareholders.

The SICAV is subject to the Luxembourg subscription tax (*taxe d'abonnement*) at the rate of 0.05% per year of each Sub-Fund's Net Asset Value. Such rate may be of 0.01% under certain circumstances as provided in Article 174 of the 2010 Law.

Such tax is not due on the portion of the assets of the Sub-Funds invested in other Luxembourg UCIs (if any), provided they have already been subject to the subscription tax provided by the above Article.

That tax is calculated at each Valuation Day and payable quarterly based upon the Net Asset Value of each class of Shares at each quarter end date.

Other jurisdictions may impose withholding and other taxes on interest and dividends received by the Sub-Funds, if any, on assets issued by entities located outside of Luxembourg. The SICAV may not be able to recover those taxes.

### **Taxation of the Shareholders**

#### *Luxembourg resident individuals*

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

- (i) the Shares are sold within 6 months as from their subscription or purchase; or
- (ii) the Shares are sold after 6 months as from their subscription or purchase, and constitute a substantial shareholding.

A shareholding is considered as substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his spouse and/or his minor children, either directly or indirectly, at any time within the 5 years preceding the realization of the gain, more than 10% of the share capital of the SICAV or (ii) the taxpayer acquired free of charge, within the five years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period).

Distributions made by the SICAV should be fully subject to income tax at the level of the investors. The distributions should qualify for an exemption of max. 1 500 EUR single / 3 000 EUR married or jointly assessed). Luxembourg income tax should be due following a progressive income tax scale, and increased by the employment contribution (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 42.0% (tax rate for 2018). In addition, a 1.4% dependency contribution is applied on the gross distribution, if such Unitholders are subject to Luxembourg Social Security regime.

#### *Luxembourg resident corporate*

Luxembourg resident corporate Investors (*collectivités*) should be subject to corporate taxation at an aggregate rate of 26,01% (in 2018 for companies having their registered office in Luxembourg City) on the distributions received from the SICAV and on the capital gains realised upon disposal of the Shares.

Luxembourg resident corporate Investors who benefit from a special tax regime, such as, for example: (i) an undertaking for collective investment subject to the 2010 Law; (ii) specialised investment funds subject to the amended Law of 13 February 2007 on specialised investment funds; or (iii) family wealth management companies subject to the amended Law of 11 May 2007 on family wealth management companies, should be exempt from corporate income tax in Luxembourg.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% should be due for the portion of the net wealth tax exceeding EUR 500 million, except if the holder of the Shares is: (i) a UCI subject to the 2010 Law, (ii) a vehicle governed by the amended Law of 22 March 2004 on securitisation; (iii) an investment company governed by the amended Law of 15 June 2004 relating to the investment company in risk capital; (iv) a specialised investment fund subject to the amended Law of 13 February 2007 on specialised investment funds; or (v) a family wealth management company subject to the Law of 11 May 2007 on family wealth management companies.

Nevertheless, further to the Law of 18 December 2015 on net wealth tax aspects, securitisation corporations governed by the Law of 22 March 2004 and venture capital corporations governed by the Law of 15 June 2004 on securitisation, should be in the scope of the minimum net wealth tax, which may vary depending on the total amount of its balance sheet, and ranging from EUR 535 to EUR 32,100.

For entities for which the sum of fixed financial assets, transferable securities and cash at bank exceeds 90% of their total gross asset and EUR 350,000, the minimum net wealth tax charge would be set at EUR 4,815.

The tax consequences for each Shareholder of purchasing, subscribing, acquiring, holding, converting, selling, redeeming or disposing of Units in the Fund will depend upon the relevant laws of any jurisdiction to which the Shareholders is subject. Investors and prospective investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations. Taxation law and practice and the levels of tax relating to the Fund and to Shareholders may change from time to time.

#### *Luxembourg non-residents*

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

#### **FATCA**

The requirements of the Foreign Account Tax Compliance Act ("FACTA") under the Hiring Incentives to Restore Employment Act of 2010 impose new reporting requirements and potential withholding taxes of up to 30% on certain U.S.-based income (including dividends and interest) as well as gross earnings from the sale or other alienation of property which may generate interest or dividends from US income ("Withholdable Payments"). Essentially, the new rules are designed so that direct or indirect property of non-U.S. accounts and non-U.S. enterprises of

- a. U.S. persons and
- b. non-U.S. enterprises controlled by one or more persons designated as a "specified U.S. person"

are subject to reporting requirements to the U.S. Internal Revenue Service (the "IRS"). The withholding tax of 30% is applied if the relevant FATCA disclosure requirements are not met.

The governments of the United States of America and Luxembourg have signed an IGA on the FATCA. This makes Luxembourg a FATCA partner state, which transposes FATCA provisions into national law. Provided that the sub-fund meets the requirements of the IGA, the sub-fund is not subject to any withholding tax and, in general, is not obligated to withhold any sums. In addition, the sub-fund cannot enter into any specific agreements with the IRS. Instead, the sub-fund must collect information on its unitholders and report any information that is relevant under the provisions of the IGA to the Luxembourg tax authorities, who will forward the information received to the IRS.

Potential investors should consult their tax advisers to learn about potential FATCA obligations in their specific situation.

Every unitholder and every beneficiary of a transfer of units in a sub-fund must provide the Company, or a third party designated by the Company (the "Designated Third Party"), with all information, assurances, disclaimers and forms with regard to the unitholder (or the direct or indirect owner or account holder of the unitholder) including changes in form and within the time frame reasonably requested by the Company or Designate Third Party (including electronic certification).

This information will be used to:

- a. identify the tax domicile(s) of every unitholder;
- b. collect information that may be required by the Luxembourg tax authority under the FATCA reporting procedure; and
- c. enact the following exemptions, reductions or repayments:
  - withholding taxes or other taxes imposed on the sub-fund by tax authorities or other government agencies (including withholding taxes imposed within the framework of the Hiring Incentives to Restore Employment Act of 2010, or any similar or subsequent laws or intergovernmental agreements, or any agreements concluded based on these laws or intergovernmental agreements);
  - amounts paid to the sub-fund; or
  - amounts assignable or distributable by the sub-fund to unitholders or beneficiaries.

If the unitholder or beneficiary in a transfer of units cannot submit the required information, assurances, disclaimers or forms to the Company or the Designated Third Party, then the Company or the Designated Third Party shall be entitled to repossess the units in any sub-fund of the relevant unitholder or beneficiary.

The Company or the Designated Third Party reserves the right to pass any and all information on the unitholders (including unitholder information that was submitted as per this subsection) to the government or tax authorities in Luxembourg, if this information may be requested within the framework of the IGA requirements.

The sub-fund is classified under FATCA as a "Collective Investment Vehicle". To maintain this chosen status, the sub-fund must ensure at all times that all investors in possession of sub-fund units are entitled to be investors. According to the FATCA-specific requirements and restrictions on U.S. investors (see above), the following persons are deemed entitled to be investors:

- exempt beneficial owners;
- active Non-Financial Foreign Entities (NFFEs); and
- Non-Participating Foreign Financial Institutions (NPFFIs).



## **EU Savings Directive**

On 10 November 2015, the EU Council has decided to repeal the EU Savings Directive (“EUSD”) with effect as at 1 January 2016. As from that date, Common Reporting Standard (“CRS”) will apply in most of EU countries, including Luxembourg and third countries. This new global standard developed by the OECD for the automatic exchange of information will go beyond the limited scope of the EUSD and will extend the scope of that exchange to include interest, dividends and other types of income. Therefore, as from 1 January 2016, Luxembourg will no longer apply the EUSD regime but the CRS regime. Only Austria obtained a derogation to apply EUSD for a transitional period (see Article 2.2 of the Council Directive 2014/107/EU of 9 December 2014).

As Switzerland will be part of the second CRS wave, the “Savings Agreement” concluded between EU and Switzerland (similar agreements exist also for Andorra, Liechtenstein, Monaco and San Marino) will remain in force until 31 December 2016. Until this date, Switzerland will continue to apply a withholding tax on cross border payments of interest to non-resident investors by local paying agents (unless a voluntary disclosure has been granted by the investors) in the context of this agreement. As from 01 January 2017, it will be changed into an “Automatic Exchange of Information Agreement”. The first Swiss report of account holder will take place as from September 2018 (Switzerland is part of the second CRS wave).

Austria has an additional time period of nine months compared to the other early adopting countries to implement CRS. In that respect, CRS will start to be applied gradually in October 2016 with the mandatory reporting of newly opened bank accounts and deposits. The first data exchange by Austria in the context of CRS will be done in September 2017 for new bank accounts opened for the period from 1 October 2016 to 31 December 2016. The high value (> EUR 1 million) accounts and deposits have to be identified by 31 December 2017. Subsequently, at the end of 2018, all accounts (high value, low value) are to be subject to the CRS procedures. During this transitional period, Austrian paying agents would continue to apply EUSD on cross-border interest payments until 31 December 2016.

## **OECD CRS - Automatic exchange of information**

The OECD received a mandate by the G8/G20 countries to develop a Common Reporting Standard (CRS) to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS has been incorporated in the amended Directive on Administrative Cooperation (DAC 2), adopted on 9 December 2014, which the EU Member States had to incorporate into their national laws by 31 December 2015. In this respect, the Luxembourg CRS law dated 18 December 2015 (“AEOI Law”) was published in the Mémorial A – N° 244 on 24 December 2015.

The CRS requires Luxembourg Financial Institutions to identify their account holders (including in the case of an Investment Entity equity and debt holders) and establish where they are fiscally resident. In this respect, a Luxembourg Financial Institution should obtain a self-certification to establish the CRS status and/or tax residence of its investors at account opening.

Luxembourg Financial Institutions will need to perform their first reporting of financial account information for the year 2016 about investors and (in certain cases) their Controlling Persons that are tax resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) to the Luxembourg tax authorities (Administration des contributions directes) by 30 June 2017. The Luxembourg tax authorities will automatically exchange this information with the competent foreign tax authorities by the end of September 2017.

The Fund qualifies as “Exempt Collective Investment Vehicle (Exempt CIV)” for CRS purposes. To maintain this status, the AEOI Law requires the Fund to ensure that all of the interests in the Fund are held by or through individuals or entities that are not Reportable Persons. In this respect, the term

“Reportable Person” means an individual or entity that is resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) under the tax laws of such jurisdiction other than (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a related entity of a corporation described in clause (i); (iii) a Governmental Entity; (iv) an International Organisation; (v) a Central Bank; or (vi) a Financial Institution. In addition, the AEOI Law excludes Passive Non-Financial Entities (Passive NFEs) with Controlling Persons who are Reportable Persons from the eligible investors for the Exempt CIV status. Therefore, the Fund does not accept any investor qualifying as Passive NFE and having one or more Controlling Persons who are Reportable Persons.

*Data protection:*

According to the AEOI Law and Luxembourg data protection rules, each individual concerned shall be informed on the processing of his/her personal data before the Luxembourg Financial Institution processes the data. If the individual qualifies as Reportable Person in the aforementioned context, the Management Company will inform the individual in accordance with the Luxembourg data protection law.

- In this respect, the Management Company as Luxembourg Financial Institution will be responsible for the personal data processing and will act as data controller for the purpose of the AEOI Law.
- The personal data is intended to be processed for the purpose of the AEOI Law and the CRS/DAC 2.
- The data may be reported to the Luxembourg tax authorities (Administration des contributions directes), which may in turn continue these data to the competent authorities of one or more Reportable Jurisdictions.
- For each information request for the purpose of the AEOI Law sent to the individual concerned, the answer from the individual will be mandatory. Failure to respond within the prescribed timeframe may result in (incorrect or double) reporting of the account to the Luxembourg tax authorities.
- Each individual concerned has a right to access any data reported to the Luxembourg tax authorities for the purpose of the AEOI Law and, as the case may be, to have these data rectified in case of error.

If the individual qualifies as a Reportable Person (i.e. tax resident in a Reportable Jurisdiction) under the AEOI Law, the Fund will be required to report the individual's personal data to the Luxembourg tax authorities, which will forward the data to the tax authorities of all countries of tax residence as identified in the provided self-certification / application forms.

## **BOARD OF DIRECTORS OF THE SICAV**

The Board of Directors is responsible for the overall management and control of the SICAV in accordance with the Articles of Incorporation. The Board of Directors is further responsible for the implementation of the investment objective and policies of the SICAV as well as for oversight of the administration and operations of the SICAV.

The members of the Board of Directors will receive periodic reports from the Management Company and/or the Administrative Agent detailing the performance and analyzing the investment portfolio of the SICAV. The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the SICAV, subject to the powers reserved by law to the Shareholders.

## MANAGEMENT COMPANY

Pursuant to the Management Company Agreement, the SICAV has appointed Structured Invest S.A., a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office at 8-10, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg, as its management company in accordance with the provisions of the 2010 Law.

Structured Invest S.A. is a Management Company in accordance with section 15 of the Law of 17 December 2010 in the form of a *société anonyme* (joint-stock company under Luxembourg law) with registered office at 8-10, rue Jean Monnet, L-2180 Luxembourg. The company was established on 16 November 2005 under the name of HVB Structured Invest S.A. With effect from 8 April 2008 the name was changed in Structured Invest S.A. The Management Company is a 100 %- subsidiary of UniCredit Bank AG, Munich.

The articles of association of the Management Company were published in Mémorial C No. 448 on 1 March 2006 and deposited with the Commercial and Companies Register in Luxembourg.

The Management Company is responsible for determining and executing the investment policy of the sub-funds and for those activities listed in Annex II of the Law of 17 December 2010. Acting for the account of the fund, it may take all management and administrative measures and exercise all rights directly or indirectly connected with the fund assets. The Board of Directors of the Company has appointed Mr. Stefan Lieser and Mr. Johannes Höring as managing directors of the Management Company and assigned them full responsibility for managerial tasks.

The Management Company may make use of external service providers for carrying out its activities. Service providers to whom activities are transferred are listed in points 5 – 8.

The Management Company may also entrust a fund manager with the task of managing the assets or appoint an investor advisor to deal with investment advisory services for the fund respective for a sub-fund. Details can be found in the respective Annex.

Furthermore the fund manager/sub-fund manager shall be authorised to consult investment advisors at its own responsibility and at its own expense. In accordance with the Law of 17 December 2010 and the applicable administrative provisions of the CSSF, the Management Company has adequate and appropriate organisational structures and internal control mechanisms. In particular, it acts in the best interest of the fund and/or the sub-funds and ensures that conflicts of interest are avoided, that resolutions and procedures are adhered to and that investors in the fund and the sub-funds are treated fairly.

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

- Christian Voit, chairman;
- Amit Sharma;
- Dr. Rainer Krütten;
- Laurent Dupeyron and
- Stefan Lieser

Stefan Lieser and Johannes Höring have been appointed as conducting officers, as referred to in Article 102 of the 2010 Law and CSSF Circular 12/546.

The rights and duties of the Management Company are governed by the 2010 Law and the Management Company Agreement entered into for an unlimited period of time. The SICAV and the Management Company may terminate at any time the Management Company Agreement upon 90 days' prior written notice addressed by one party to the other or under other circumstances set out in the Management Company Agreement.

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 control and 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, with the approval of the Board of Directors, has delegated the central administration functions and the registrar and transfer agency functions to CACEIS Bank, Luxembourg Branch.

Where the Management Company has delegated any of its functions to a third party, the relevant agreement shall contain a provision which allows the Management Company to give at any time further instructions to the entity(ies) to which those functions have been delegated and to terminate the relevant agreement without prior notice and with immediate effect, as provided for by article 110 (1) (g) of the 2010 Law.

Structured Invest S.A. is included in the remuneration strategy of the UniCredit Group. All remuneration matters as well as compliance of regulatory requirements is monitored by the relevant committees of the UniCredit Group. The Remuneration Policy is consistent with a sound and effective risk management and conducive to this and encourages no acceptance of risks that are incompatible with the risk profiles, terms of contract or articles of incorporation of the funds managed by the management company. It is consistent with the business strategy, objectives, values and interests of the management company and their funds and their investors and includes measures to avoid conflicts of interests. The remuneration strategy provides a balance between fixed and variable salary components and defines mechanisms for the payment of variable remuneration. The fixed and variable components of the total remuneration are appropriate in relation to each other, whereby the portion of the fix component of the total remuneration is high enough to provide a complete flexibility relating to the variable remuneration component, including the possibility to pay no variable remuneration component. Since each payment is preceded by a check for compliance conformity behaviour it promotes sustainable action. Structured Invest S.A. has defined a remuneration system which avoids a significant dependence of the variable remuneration component. Essential negative aspects that are determined in the annual performance appraisal of the employees will be considered in the variable remuneration in the following years. Therefore a multi-year consideration is ensured. Structured Invest S.A. refers when determining the variable remuneration of employees on their individual performance, the performance of the department which they belong to and the result of the company. Consideration of the performance of the funds respectively sub-funds managed by Structured Invest S.A. remain out of consideration in determining the variable remuneration. In case of outsourcing of portfolio management, the Structured Invest S.A. ensures through annual oversight that equivalent remuneration provisions (as CRD IV, UCITS V) are met.

Further details of the current remuneration policy are available online at <http://www.structuredinvest.lu/lu/de/fund-platform/about-us.further-infos.html>. These include a description of the calculation method for the remunerations and benefits to certain groups of employees

as well as the identity of the persons responsible for the allocation of remuneration and other benefits, including the composition of the remuneration committee, if there is such a committee.

Upon request, these information provided free of charge in paper form by Structured Invest S.A.

## **INVESTMENT MANAGER**

The Management Company has appointed, with the consent of the Board of Directors and the approval of the CSSF, UniCredit International Bank (Luxembourg) S.A. as the SICAV's investment manager. The Investment Manager provides the SICAV with collective investment management and related services as further described in the investment management agreement entered into between the SICAV, the Management Company and the Investment Manager.

The Investment Manager is vested with the power to make/decide investments/disinvestments, under the responsibility, supervision and direction of the Management Company and will perform its services subject to the overall control of the Management Company and ultimate responsibility of the Board of Directors.

The relationship between the Investment Manager, the SICAV and the Management Company is subject to the terms of the above investment management agreement which has been entered into for an unlimited period of time from the date of its execution. Any of the Investment Manager, the SICAV or the Management Company may notably terminate such agreement on at least 90 calendar days' prior written notice. Such agreement may also be terminated on shorter notice in certain circumstances.

Pursuant to the aforementioned agreement and with the prior consent of the Management Company and the approval of the CSSF, the Investment Manager is authorized to delegate, under its responsibility at its own cost and in relation to certain Sub-Funds with a geographical focus, specialist asset management companies, in order to benefit from their expertise and experience in particular markets.

For the avoidance of doubt, the Investment Manager is entitled to enter into investment advisory agreements with any number of investment advisors as disclosed for each Sub-Fund in the relevant Supplement in Appendix B to this Prospectus.

### **Conflict of Interest Policy of the Investment Manager**

UniCredit International Bank (Luxembourg) S.A. (hereinafter called "the Bank") renders services to retail and corporate Customers, as well as to financial institutions. It is the duty of the Bank to respect the interests of all its Customers and to avoid conflicts. In accordance with the requirements set forth in Directive 2014/65/EU this policy informs about the measures taken by the Bank to identify and manage conflicts of interest.

In order to avoid diverging interests from having a detrimental impact on our Customers' interests while providing e.g. advisory services, order execution, portfolio management or the preparation of investment recommendations, we have committed the Bank and its employees to compliance with the applicable laws and regulations and to high ethical standards. We expect, at all times, integrity, diligence and honesty, lawful and professional behaviour, adherence to market standards, and in particular the consideration of our Customers' interests. These interests always have priority over the interests of the Bank and its employees.

Within the Bank, an independent compliance function operates under the immediate responsibility of the management board. It is headed by a specifically appointed chief compliance officer. Responsibilities of this compliance function include, among other things, the early identification, prevention and management of conflicts of interest, as well as preventing misuse of inside information and market abuse.

The Bank has established organisational and administrative arrangements deemed to be sufficient to ensure that the risk of interference with a Customer's interests is managed and avoided in most cases. Where the measures to prevent or manage a conflict are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Customer will be avoided, the Bank will abstain from the transaction causing such conflict. In very limited circumstances, the Bank will disclose to the Customer the general nature and sources of the conflict of interest, as well as the resulting risks and the steps undertaken to mitigate such risks, before undertaking business on his/her behalf, so that the Customer can take the decision in respect of the service offered on an informed basis. If a Customer's classification pursuant to MiFID exists, such disclosure will take into account the Customer's classification as a retail Customer, a professional Customer or an eligible counterparty. Disclosure will take place as a measure of last resort only if no other possibility to solve the identified conflicts of interest exists. It is to be made in a meaningful, but anonymized manner in order to maintain business secrecy, Banking secrecy and, where applicable, data protection law versus other Customers.

# **ADMINISTRATIVE AGENT, DOMICILIARY AGENT, DEPOSITARY, REGISTRAR AND TRANSFER AGENT**

## **Administrative Agent**

CACEIS Bank, Luxembourg Branch acts as the administrative agent of the SICAV.

The Administrative Agent is responsible for, notably, maintaining the books and financial records of the SICAV, preparing the SICAV's financial statements, calculating the amounts of any distribution, if any, and calculating the Net Asset Value of each class of Shares.

The relationship between the Administrative Agent and the Management Company, acting on behalf of the SICAV, is subject to the terms of an administrative agency agreement. Any of the Management Company and the Administrative Agent may terminate the aforementioned agreement on at least 90 calendar days' prior written notice. The aforementioned agreement may also be terminated on shorter notice in certain circumstances as detailed in said agreement.

## **Domiciliary Agent**

Structured Invest S.A. acts as domiciliary agent of the SICAV.

The Domiciliary Agent is responsible for providing domiciliary services to the SICAV and other services as described under the Domiciliary Agency Agreement.

## **Paying Agent**

CACEIS Bank, Luxembourg Branch acts as the paying agent of the SICAV.

The Paying Agent is responsible for paying to Shareholders any distribution or redemption proceeds.

## **Registrar and Transfer Agent**

CACEIS Bank, Luxembourg Branch acts as the Registrar and Transfer Agent of the SICAV pursuant to a Registrar and Transfer Agency Agreement.

The Registrar and Transfer Agent will be responsible for handling the processing of subscription of Shares, dealing with requests for redemption and conversion and accepting transfer of funds, for the safekeeping of the register of Shareholders, for performing the relevant duties relating to anti-money laundering and for providing and supervising the mailing of reports, notices and other documents to the Shareholders, as further described in the above mentioned agreement.

## **Depositary**

As Depositary, CACEIS Bank, Luxembourg Branch will carry out its functions and responsibilities in accordance with the provisions of the 2010 Law.

CACEIS Bank acting through its Luxembourg branch (CACEIS Bank, Luxembourg Branch) is a public limited liability company (société anonyme) incorporated under the laws of France with a share capital of 440,000,000 Euros having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank ("ECB") and the Autorité de



contrôle prudentiel et de résolution ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

CACEIS Bank, acting through its Luxembourg branch CACEIS Bank, Luxembourg Branch is acting as the UCITS depository (the "Depository") in accordance with a depository agreement dated as of DATE amended from time to time (the "Depository Agreement") and the relevant provisions of the UCITS Act.

Investors may consult upon request at the registered office of the UCITS, the Depository Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depository.

The Depository has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Fund's assets and it shall fulfil the obligations and duties provided for by Part I of the Law. In particular, the Depository shall ensure an effective and proper monitoring of the UCITS cash flows.

In due compliance with the UCITS Rules the Depository shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of units of the UCITS are carried out in accordance with the applicable national law and the UCITS Rules or the constitutive documents;
- (ii) ensure that the value of the Units is calculated in accordance with the UCITS Rules, the management regulations and the procedures laid down in the Directive;
- (iii) carry out the instructions of the UCITS, unless they conflict with the UCITS Rules, or the management regulations;
- (iv) ensure that in transactions involving the UCITS' assets any consideration is remitted to the UCITS within the usual time limits; and
- (v) ensure that an UCITS' income is applied in accordance with the UCITS Rules and the management regulation.

The Depository may not delegate any of the obligations and duties set out in (i) to (v) of this clause.

In compliance with the provisions of the Directive, the Depository may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to Correspondents or Third Party Custodians as appointed from time to time. The Depository's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law.

A list of these correspondents/third party custodians is available on the website of the Depository ([www.caceis.com](http://www.caceis.com), section "veille réglementaire"). Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depository. Up-to-date information regarding the identity of the Depository, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depository and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depository, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depository delegates its safekeeping functions or when the Depository also performs other tasks on behalf of the UCITS, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depository. In order to protect the UCITS' and its Unitholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depository, aiming namely at:

- a. identifying and analysing potential situations of conflicts of interest;
- b. recording, managing and monitoring the conflict of interest situations either in:

- relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
- implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Unitholders of the UCITS, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the UCITS, notably, administrative agency and registrar agency services.

The UCITS and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The UCITS may, however, dismiss the Depositary only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Compartments have been transferred to the new depositary bank.

The Depositary has neither decision-making discretion nor any advice duty relating to the UCITS investments. The Depositary is a service provider to the UCITS and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the UCITS.

## **DISTRIBUTOR AND SUB-DISTRIBUTOR**

The Management Company is in charge of the distribution of the SICAV. Furthermore, the Management Company may appoint any entity as distributor for the distribution of Shares of the SICAV, in all countries in which the offering and the selling of such Shares is permitted, in its entire discretion. The distributors are entitled to appoint sub-distributors with the consent of the Management Company.

## REBATES AND RETROCESSIONS

Subject to applicable laws and regulations and pursuant to a Distribution Agreement, the Management Company has delegated to Allfunds Bank International S.A. (the "**Distributor**") the marketing, distribution and promotion of the Shares of the Company in countries in which the Shares of the Company are marketed.

Subject to the prior written approval of the Management Company, the Distributor may decide to appoint sub-distributors (the "**Sub-Distributors**") for the purpose of assisting in the distribution of the Shares, provided that any sub-distributor (i) is authorised by the relevant local authorities to provide these types of services and (ii) has entered into an agreement with the Distributor, the terms of which shall be substantially the same as in the Distribution Agreement.

In addition the Distributor or any sub-distributor, subject to applicable law and regulations, may on a negotiated basis enter into private arrangements with a holder or prospective holder of Shares under which the Distributor, or any sub-distributor are entitled to make payments to the holders of Shares of part or all of fees paid to the Distributor or any sub-distributor.

Consequently, the effective net fees payable by a holder of Shares who is entitled to receive a rebate under the arrangements described above may be lower than the fees payable by a holder of Shares who does not participate in such arrangements. Such arrangements reflect terms privately agreed between parties other than the SICAV, and for the avoidance of doubt, the SICAV cannot, and is under no duty to, enforce equality of treatment between Shareholders by other entities.

The Registrar and Transfer Agent shall agree on a case-by-case basis on whether a nominee account can be set-up or not in consideration of applicable anti-money laundering regulations.

The Distribution Agreement has been entered into for an unlimited period and may be terminated by either party upon giving 90 days' prior written notice.

## GENERAL INFORMATION

### **Accounting Year**

The SICAV's accounting year begins on the 1<sup>st</sup> January and ends on 31<sup>st</sup> December of each year. The first accounting year of the SICAV ended on December 31, 2011.

### **Reports**

The SICAV publishes annually audited financial statements and semi-annually unaudited financial statements.

The first annually audited financial statements of the SICAV will be issued for the period ended December 31, 2011.

The aforementioned documents will be available to the Shareholders within four months for the annual reports and two months for the semi-annual reports of the date thereof at the registered office of the SICAV. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge by any person at the registered office of the SICAV. The Management Company will provide a copy of the annual and semi-annual reports of the Master Fund to Shareholders free of charge upon their request. These reports are also made available to Shareholders at [www.morabanc.ad](http://www.morabanc.ad) and [www.structuredinvest.lu](http://www.structuredinvest.lu).

### **Shareholders' Meetings**

The annual general meeting of Shareholders will be held at the registered office of the SICAV on the last Tuesday of the month of April at 2.00 p.m. (Luxembourg time) of each year (unless such date falls on a day which is not a Business Day, in which case on the next Business Day at 2.00 p.m. Luxembourg time). The next annual general meeting of Shareholders from the launch of the SICAV will be held in 2014. Extraordinary Shareholders' meetings or general meetings of Shareholders of any Sub-Fund or any class of Shares may be held at such time and place as indicated in the notice to convene. Notices of such meetings shall be provided to the Shareholders in accordance with Luxembourg law.

### **Minimum Share capital**

The SICAV must maintain a minimum subscribed share capital of at least Eur 1,250,000.-. There is no legal requirement that the individual Sub-Funds have a minimum amount of assets.

### **Documents available**

Any investor may consult and obtain free of charge a copy of any of the following documents at the SICAV's registered office during usual business hours on any Business Day and at [www.morabanc.ad](http://www.morabanc.ad) and [www.structuredinvest.lu](http://www.structuredinvest.lu).

- the Articles of Incorporation;
- this Prospectus and the KIIDs;
- the most recent annual and semi-annual financial statements of the SICAV.

In addition, the following documents are also available for review by any investor at the SICAV's registered office between 10.00 a.m. and 4.00 p.m. Luxembourg time on any Business Day:

- the agreement between the SICAV and the Management Company (the "Management Company Agreement");

- the agreement between the SICAV and the Administrative Agent (the "Administrative Agency Agreement");
- the agreement between the SICAV and Registrar and Transfer Agent (the "Registrar and Transfer Agency Agreement");
- the agreement between the SICAV and the Depositary (the "Depositary Agreement");
- the agreement between the SICAV and the Domiciliary Agent (the "Domiciliary Agency Agreement");
- the agreement between the SICAV, the Management Company and the Investment Manager (the "Investment Management Agreement"); and
- any distribution agreement between the SICAV, the Management Company and any distributor (if applicable)(the "Distribution Agreement");

The SICAV will publish in a *Luxembourg newspaper*, if appropriate, any Shareholders' notice required by Luxembourg law or as provided in the Articles of Incorporation.

Additional information which the SICAV must take available upon request to investors in accordance with Luxembourg laws and regulations such as, but not limited to, the details of the Management Company's complaint handling procedures as well as the voting rights policy, best execution policy, conflicts of interest rules, etc. may be obtained free of charge during normal hours at the registered office of the SICAV.

### **Merger and division of Sub-Funds**

#### *General*

Mergers of the SICAV or of the Sub-Funds can be performed in accordance with the form, modalities and information requirements provided for by the 2010 Law; the legal consequences of mergers are governed by and described in the 2010 Law. Within the meaning of the 2010 Law, the term "merger" means an operation whereby:

- (a) one or more UCITS or sub-funds thereof (the "merging UCITS") on being dissolved without going into liquidation, transfer all of their assets and liabilities to another existing UCITS or a sub-fund thereof (the "receiving UCITS") in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares;
- (b) two or more UCITS or sub-funds thereof (the "merging UCITS") on being dissolved without going into liquidation, transfer all of their assets and liabilities to a UCITS which they form or a sub-fund thereof (the "receiving UCITS") in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares; or
- (c) one or more UCITS or sub-funds thereof (the "merging UCITS") which continue to exist until the liabilities have been discharged, transfer their net assets to another sub-fund of the same UCITS, to a UCITS which they form or to another existing UCITS or a sub-fund thereof (the "receiving UCITS").

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

Any cost associated with the preparation and the completion of a merger shall neither be charged to the Sub-Funds nor to the Shareholders.

## 1. Merger of the SICAV

The Board of Directors may decide to proceed with a merger of the SICAV, either as receiving or absorbed UCITS, with:

- another Luxembourg or foreign UCITS; or
- a sub-fund thereof,

(the “**New UCITS**”) and, as appropriate, to redesignate the Shares of the SICAV as Shares of this New UCITS, or of the relevant sub-fund thereof as applicable.

In case the SICAV is the receiving UCITS (within the meaning of the 2010 Law), solely the Board of Directors will decide on the merger and effective date thereof.

In case the SICAV is the absorbed UCITS (within the meaning of the 2010 Law), and hence ceases to exist, the general meeting of the Shareholders has to approve, and decide on the effective date of such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes cast at such meeting.

## 2. Merger of the Sub-Funds

The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another existing Sub-Fund within the SICAV or another sub-fund within a New UCITS (the “**New Sub-Fund**”); or
- a New UCITS,

and, as appropriate, to redesignate the Shares of the Sub-Fund concerned as Shares of the New UCITS, or of the New Sub-Fund as applicable.

### *Right of the Shareholders and costs to be borne by them*

In all the merger cases above, the Shareholders will in any case be entitled to request, without any charge other than those retained by the SICAV or the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares, in accordance with the provisions of the 2010 Law, or, where possible, to convert them into units or shares of another UCITS pursuing a similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the relevant provisions of the 2010 Law.

Shareholders will receive information on any contemplated merger, in accordance with the terms of the 2010 Law, at least one month prior to the last date for requesting redemption or conversion of their Shares as provided above.

## **Dissolution and Liquidation of the SICAV or any Sub-Fund or any class of Shares**

The SICAV has been established for an unlimited period.

However, the SICAV may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements referred to in the Articles of Incorporation and in compliance with the provision of the Company Law.

The Board of Directors may also decide to dissolve any Sub-Fund or any class of Shares and liquidate the assets thereof.

In particular, the Board of Directors may decide to dissolve a Sub-Fund or class of Shares and to compulsorily redeem all the Shares of such Sub-Fund or class of Shares when the net assets of such Sub-Fund or class of Shares fall below an amount determined by the Board of Directors to be the minimum level to enable the Sub-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 Sub-Fund or class of Shares concerned would have material adverse consequences on the investments of that Sub-Fund, in order to proceed to economic rationalization or if the swap agreement(s) entered into by the relevant Sub-Fund is/are rescinded before the agreed term.

The decision of the liquidation will be published as described above for the merger or division of Sub-Funds prior to the effective date of the liquidation. Unless the Board of Directors decides otherwise in the interests of or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or class of Shares concerned may continue to redeem or convert their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors above, the Shareholders of any Sub-Fund of any one or all classes of Shares may at a general meeting of such Shareholders, upon proposal of the Board of Directors, redeem all the Shares of the relevant class or classes or Sub-Fund. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of the Shares present and represented and validly voting.

Shareholders will receive from the Depositary their pro rata portion of the net assets of the SICAV or a Sub-Fund or a class of Shares, as the case may be, in accordance with Company Law and the Articles of Incorporation.

As per regulatory requirements at the time of the present Prospectus, the liquidation of a Sub-Fund should be closed within a period of nine months; it being understood that derogations may be obtained from the CSSF on a case-by-case basis. As soon as the decision to close the liquidation process of the SICAV or a Sub-Fund is taken, whether this decision is taken before the nine-month period has expired or at a later date, any liquidation proceeds shall be deposited with the Luxembourg *Caisse de Consignation* as promptly as possible.

All redeemed shares shall be cancelled.

The dissolution of the last Sub-Fund of the SICAV will result in the dissolution of the SICAV. Liquidation of the SICAV shall be carried out in compliance with the Company Law and the Articles of Incorporation.



## APPENDIX A: INVESTMENT RESTRICTIONS

Unless more restrictive rules are provided for in the investment policy of any specific Sub-Fund, as described in each of the Supplements in Appendix B to this Prospectus, each Sub-Fund shall comply with the rules and restrictions detailed below.

The SICAV shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Sub-Fund, the Base Currency, as the case may be, and the course of conduct of the management and business affairs of the SICAV.

If the limits set forth below are exceeded for reasons beyond the control of the SICAV, the SICAV must adopt as its primary objective in its sale transactions the remedying of such situation, taking due account of the interests of the Sub-Fund's Shareholders.

### **Authorized Investments**

1. Investments in the Sub-Funds shall consist solely of:

- a. Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments;
- b. Transferable Securities or Money Market Instruments admitted to official listing on a stock exchange or dealt in on any Other Regulated Market located in a Member State or any other country of Europe, Asia, Oceania, Africa or the American continents;
- c. recently issued Transferable Securities or Money Market Instruments for which an undertaking has been made that application will, or has been made, for admission to official listing on any Regulated Market, provided that such admission is effectively secured within one (1) year of issue;
- d. Units or shares of UCITS authorized according to the UCITS Directive and/or other UCIs within the meaning of the first and second indents of Article 1, paragraph (2) a) and b) of the UCITS Directive, whether or not established in a Member State (as defined in the 2010 Law), provided that:
  - (i) such other UCIs must be authorized under laws of either a Member State or a state in respect of which the Luxembourg supervisory authority considers that the level of (i) supervision of such UCIs is equivalent to that provided for under Community law and (ii) cooperation between the relevant local authority and the CSSF is sufficiently ensured;
  - (ii) such other UCIs must provide to their shareholders a level of protection that the SICAV may reasonably consider to be equivalent to that provided to shareholders by UCITS within the meaning of Article 1(2) a) and b) of the UCITS Directive, in particular with respect to the rules on assets segregation, applying to portfolio diversification and borrowing, lending and short sales transactions;
  - (iii) such UCIs must issue semi-annual and annual reports;
  - (iv) the organizational documents of the UCITS or of the other UCIs must restrict investments in other undertakings for collective investment to no more than 10% of their aggregate net assets;
- e. Deposits with credit institutions, under the following restrictions:
  - (i) such deposits may be withdrawn at any time;
  - (ii) such deposits must have a residual maturity of less than twelve (12) months;

- (iii) the credit institution must have its registered office in a Member State or, if its registered office is located in another state, the credit institution must be subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law;
- f. Derivatives, including options and futures, under the following restrictions:
- (i) such transactions in Derivatives shall under no circumstance cause the relevant Sub-Fund to fail to comply with its investment objective and policy;
  - (ii) such Derivatives must be traded on a Regulated Market or OTC with counterparties that are subject to prudential supervision and belong to the categories of counterparties approved by the Luxembourg supervisory authority;
  - (iii) the underlying assets of such Derivatives must consist of either the instruments mentioned in this Paragraph 1 or financial indices, interest rates, foreign exchange rates or currencies in which the relevant Sub-Fund invests in accordance with its investment policy;
  - (iv) such Derivatives, if traded OTC (“OTC Derivatives”), must be subject to reliable and verifiable pricing on a daily basis and may be sold, liquidated or closed by the Sub-Fund at any time at their fair value at the SICAV’s initiative;
- g. Money Market Instruments other than those dealt in on a Regulated Market, under the following restrictions:
- (i) the issue or the issuer of such instruments must be regulated in terms of investor and savings protection;
  - (ii) such instruments must be either (i) issued or guaranteed by a Member State, its local authorities or central bank, the European Central Bank, the EU, the European Investment Bank, any other state that is not a Member State, a public international body of which one or more Member States are members or, in the case of a federal state, any one of the entities forming part of the federation; or (ii) issued by a corporate entity whose securities are traded on a Regulated Market; or (iii) issued or guaranteed by an entity that is subject to prudential supervision in accordance with criteria defined under Community law; or (iv) issued or guaranteed by an entity that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law; or (v) issued by other entities that belong to categories of issuers approved by the Luxembourg supervisory authority, provided that investments in such instruments are subject to investor protection equivalent to that provided by the types of issuers mentioned in Paragraph f.(i) to (iv) above. The issuer of the instruments referred to in (v) above must be a company (x) whose capital and reserves amount to at least € 10 million, (y) that issues its annual financial statements in accordance with EEC Council Directive 78/660/EEC, and (z) that, within a Group of Companies including at least one listed company, is dedicated to the financing of the group or is an entity dedicated to the financing of securitization vehicles that benefits from a bank liquidity line.
- h. Shares issued by one or several other Sub-Funds of the SICAV (the “Target Fund”), under the following conditions:
- (i) the Target Fund does not invest in the investing Sub-Fund;
  - (ii) not more than 10% of the assets of the Target Fund may be invested in other Sub-Funds of the SICAV;
  - (iii) the voting rights linked to the shares of the Target Fund are suspended during the period of investment; and

- (iv) in any event, for as long as these securities are held by the SICAV, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.
2. Up to 10% of each Sub-Fund's net assets may consist of assets other than those referred to under Paragraph 1 above.

### **Cash Management**

Each Sub-Fund may:

1. Hold cash on an ancillary basis, unless otherwise provided for a Sub-Fund. In exceptional circumstances, this limit may be temporarily exceeded if the Directors consider this to be in the best interest of the Shareholders.
2. Borrow no more than 10% of its net assets on a temporary basis.
3. Acquire foreign currency by means of back-to-back loans.

### **Investments in any one Issuer**

For the purpose of the restrictions described in Paragraphs 1 to 5, 8, 9, 13 and 14 below, issuers that consolidate or combine their accounts in accordance with Directive 83/349/EEC or recognized international accounting rules ("Issuing Group") are regarded as one and the same issuer.

Issuers that are UCIs structured as umbrella funds, defined as a legal entity with several separate sub-funds or portfolios, whose assets are held exclusively by the investors of such sub-fund or portfolio and which may be held severally liable for its own debts and obligations shall be treated as a separate issuer for the purposes of Paragraphs 1 to 5, 7 to 9 and 12 to 14 below.

Each Sub-Fund shall comply with the following restrictions within six (6) months following its launch:

### ***Transferable Securities and Money Market Instruments***

1. Each Sub-Fund shall comply with the following restrictions:
  - a. no Sub-Fund may invest more than 10% of its net assets in Transferable Securities or Money Market Instruments of any one issuer;
  - b. where investments in Transferable Securities or Money Market Instruments of any one issuer exceed 5% of the Sub-Fund's net assets, the total value of all such investments may not exceed 40% of the Sub-Fund's net assets. This limitation does not apply to time deposits and OTC Derivatives that satisfy the requirements described in Paragraph 1 of the section entitled "Authorized Investments" above.
  - c. the risk exposure to a counterparty of a Sub-Fund in an OTC Derivative transaction and/or efficient portfolio management techniques may in aggregate not exceed the following percentages:
    - 10% of total net assets if the counterparty is a credit institution referred to in Paragraph 4 hereafter or
    - 5% of total net assets in other cases.
2. No Sub-Fund may invest in the aggregate more than 20% of its net assets in Transferable Securities or Money Market Instruments issued by the same Issuing Group.

3. Notwithstanding the limit set forth in Paragraph 1.a. above, each Sub-Fund may invest up to 35% of its net assets in any one issuer of Transferable Securities or Money Market Instruments that are issued or guaranteed by an Member State, its local authorities, any other state that is not an Member State or a public international body of which one or more Member States are members.
4. Notwithstanding the limit set forth in Paragraph 1.a. above, each Sub-Fund may invest up to 25% in any one issuer of qualifying debt securities issued by a credit institution that has its registered office in an Member State and, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. Qualifying debt securities are securities the proceeds of which are invested in accordance with applicable law in assets providing a return covering the debt service through to the maturity date of the securities and will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. Where investments in any one issuer of qualifying debt securities exceed 5% of the Sub-Fund's net assets, the total value of such investments may not exceed 80% of the Sub-Fund's net assets.
5. The investments referred to in Paragraphs 3 and 4 above may be disregarded for the purposes of calculating the 40% limit set forth in Paragraph 1.b. above.
6. **Notwithstanding the foregoing, each Sub-Fund may invest up to 100% of its net assets in Transferable Securities or Money Market Instruments issued or guaranteed by a Member State, its local authorities, any other OECD Member State or a public international body of which one or more Member States are members, provided that such securities are part of at least six different issues and the securities from any one issue do not account for more than 30% of the Sub-Fund's net assets.**
7. Notwithstanding the limits set forth in Paragraph 1 above, each Sub-Fund whose investment policy is to replicate the composition of a stock or debt security index may invest up to 20% of its net assets in stocks or debt securities issued by any one issuer under the following restrictions:
  - a. the index must be recognized by the Luxembourg supervisory authority;
  - b. the composition of the index must be sufficiently diversified;
  - c. the index must be an adequate benchmark for the market represented in such index;
  - d. the index must be appropriately published.

The 20% limit referred to above may be raised to 35% under exceptional market conditions, particularly those impacting the Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this 35% limit is only permitted for one single issuer.

### ***Bank Deposits***

8. A Sub-Fund may not invest more than 20% of its net assets in deposits made with any one institution.

### ***Derivatives***

9. The risk exposure to any one counterparty in an OTC Derivative and/or efficient portfolio management techniques may not exceed:
  - a. 10% of each Sub-Fund's net assets when the counterparty is a credit institution that has its registered office in a Member State or, if its registered office is located in another state, that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under EU law, or

- b. 5% of each Sub-Fund's net assets when the counterparty does not fulfill the requirements set forth above.
10. Investments in Derivatives that are not index-based shall comply with the limits set forth in Paragraphs 2, 5 and 14, provided that the exposure to the underlying assets does not exceed in the aggregate the investment limits set forth in Paragraphs 1 to 5, 8, 9, 13 and 14.
11. When a Transferable Security or a Money Market Instrument embeds a Derivative, such Derivative must comply with the requirements of Paragraph 10 above and those set forth under "Global Risk Exposure and Risk Management" below.

#### ***Units of other UCIs***

12. Each Sub-Fund shall comply with the following restrictions:
- a. no Sub-Fund may invest more than 20% of its net assets in the units of any one UCITS or other UCI. For the purposes of this paragraph, each sub-fund of a UCI with several sub-funds, within the meaning of Article 181 of the 2010 Law, must be considered as a separate issuer, provided that each sub-fund may be held severally liable for its own debts and obligations;
  - b. investments made in units of UCIs other than UCITS may not in the aggregate exceed 30% of the net assets of each Sub-Fund;
  - c. when a Sub-Fund has acquired units of other UCITS and/or other UCIs, the underlying assets of such UCITS and/or other UCIs do not have to be taken into account for the purposes of the limits set forth in Paragraphs 1 to 5, 8, 9, 13 and 14;
  - d. if any UCITS and/or other UCI in which a Sub-Fund invests is linked to the Sub-Fund by common management or control or by a substantial direct or indirect holding, investment in the securities of such UCITS and/or other UCI shall be permitted only if no fees or costs are charged to the Sub-Fund on account of such investment;
  - e. when a Sub-Fund invests a substantial proportion of its assets in other UCITS and/or other UCIs, the investment management fees (excluding any Performance Fee, if any) that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest, shall not exceed 4% of the relevant net assets under management. In its annual report, the SICAV shall indicate the investment management fees actually charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which the Sub-Fund invests.

#### ***Master feeder structures***

Any Sub-Fund which acts as a feeder fund (the "**Feeder**") of a master fund shall invest at least 85% of its assets in shares/units of another UCITS or of a compartment of such UCITS (the "**Master**"), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. The Feeder may not invest more than 15% of its assets in one or more of the following:

- a) ancillary liquid assets in accordance with Article 41 (2), second paragraph of the 2010 Law;
- b) Derivatives which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the 2010 Law;
- c) movable and immovable property which is essential for the direct pursuit of the Umbrella Fund's business.

#### ***Combined Limits***

13. Notwithstanding the limits set forth in Paragraphs 1, 8 and 9 above, no Sub-Fund may combine (a) investments in Transferable Securities or Money Market Instruments issued by, (b) deposits made with, or (c) exposure arising from OTC Derivatives undertaken with, any one entity in excess of 20% of its net assets.

14. The limits set forth in Paragraphs 1, 3, 4, 8, 9 and 13 above may not be aggregated. Accordingly, each Sub-Fund's investments in Transferable Securities or Money Market Instruments issued by, and deposits or Derivatives made with, any one issuer in accordance with Paragraphs 1, 3, 4, 8, 9 and 13 above may under no circumstances exceed 35% of its net assets.

### **Influence over any one Issuer**

The influence that the SICAV or each Sub-Fund may exercise over any one issuer shall be limited as follows:

1. neither the SICAV nor any Sub-Fund may acquire shares with voting rights which would enable such Sub-Fund or the SICAV as a whole to exercise a significant influence over the management of the issuer;
2. neither any Sub-Fund nor the SICAV as a whole may acquire (a) more than 10% of the outstanding non-voting shares of the same issuer, (b) more than 10% of the outstanding debt securities of the same issuer, (c) more than 10% of the Money Market Instruments of the same issuer, or (d) more than 25% of the outstanding units of the same UCI.

The limits set forth in Paragraph 2(b) to 2(d) above may be disregarded at the time of the acquisition if at that time the gross amount of debt securities or Money Market Instruments or the net amount of the instruments in issue may not be calculated.

The limits set forth in Paragraphs 1 and 2 of this section above do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by an Member State or its local authorities, any other state that is not an Member State or a public international body of which one or more Member States are members;
- shares held by the SICAV in the capital of a company incorporated in a state that is not an Member State provided that (a) this issuer invests its assets mainly in securities issued by issuers of that state, (b) pursuant to the laws of that state such holding constitutes the only possible way for the Sub-Fund to purchase securities of issuers of that state, and (c) such company observes in its investment policy the restrictions in this section as well as those set forth in Paragraphs 1 to 5, 8, 9 and 12 to 14 of the section entitled "Investments in any one Issuer" and Paragraphs 1 and 2 of this section;
- shares in the capital of affiliated companies which, exclusively on behalf of the SICAV, carry on only the activities of management, advice or marketing in the country where the affiliated company is located with respect to the redemption of Shares at the request of Shareholders.

### **Overall Risk Exposure and Risk Management**

Except as otherwise stated therein, **each Sub-Fund's overall risk exposure relating to Derivatives must not exceed such Sub-Fund's total net assets.** As a general rule, a Sub-Fund cannot have a global exposure greater than its Net Asset Value and so this means that there is a limit to a Sub-Fund exposure of 100% of the Net Asset Value. The total risk exposure may not therefore be greater than 210% of the Net Asset Value, including the 10% of the Net Asset Value that each Sub-Fund may borrow on a temporary basis.

Except as otherwise provided for in the relevant Sub-Fund's Supplement in Appendix B to this Prospectus, a Sub-Fund's overall risk exposure is evaluated in accordance with regulatory practice applying the commitment approach pursuant to CSSF Circular 11/512.

**The Board of Directors must implement processes for accurate and independent assessment of the value of OTC Derivatives.**

In accordance with the 2010 Law, the Management Company uses a risk management processes which enables to monitor and measure at any time the risk related to the Sub-Funds' investments and their contribution to the overall risk profile of the Sub-Funds.

Further information on the approach used by the Management Company to monitor and measure the global exposure of each Sub-Fund, in accordance with applicable legal and regulatory requirements, as well as details on the expected level of leverage for each Sub-Fund, if any, are included under Appendix B.

### **Prohibited Transactions**

Each Sub-Fund is prohibited from engaging in the following transactions:

- acquiring commodities, precious metals or certificates representing commodities or precious metals;
- investing in real property unless investments are made in securities secured by real estate or interests in real estate or issued by companies that invest in real estate or interests in real estate;
- issuing warrants or other rights to subscribe in Shares of the Sub-Fund;
- Granting loans or guarantees in favor of a third party. However such restriction shall not prevent each Sub-Fund from investing up to 10% of its net assets in non-fully paid-up Transferable Securities, Money Market Instruments, units of other UCIs or Derivatives; and
- entering into either uncovered short sales of Transferable Securities, uncovered Money Market Instruments, uncovered units of other UCIs or uncovered Derivatives.

## **APPENDIX B: SUB-FUNDS' SUPPLEMENTS**



# MORA FUNDS SICAV – ABSOLUTE RETURN FUND

## 1. Base Currency

The Base Currency of the Sub-Fund is the EUR.

## 2. Investment objective and policy

The Sub-Fund's investment objective is to achieve long-term risk-adjusted returns through allocating assets to a broad range of alternative investment strategies. The Sub-Fund seeks to accomplish this objective through investing principally in eligible funds.

All eligible funds are analyzed and studied individually considering criteria as portfolio management experience, strategy, resources and controls of its Management Company, historical performance, risk profile and compliance suitability. The eligible funds will provide exposure to the Sub-Fund to a range of alternative investment strategies including but not limited to equity long/short, relative value, tactical trading or event driven strategies.

In determining the relative allocations of the capital to each investment strategy, the Sub-Fund considers the risk-return characteristics and drawdown patterns of each strategy at any time. For this reason, allocations may vary significantly over time as returns for different investment strategies vary.

The Sub-Fund may use, for hedging purposes and for investment purposes, on an ancillary basis (up to 20 %), and within the limits set out in Appendix A to this Prospectus, all types of Derivatives traded on a Regulated Market and/or OTC provided they are contracted with first class financial institutions specialized in this type of transactions. In particular, the Sub-Fund may take exposure through Derivatives and forwards on any eligible underlying, such as currencies, interest rates, Transferable Securities or financial indices, at all times in compliance with applicable regulations. These market techniques and instruments will only be employed if they are in conformity with the investment policies of the Sub-Fund.

In addition to the above, the Sub-Fund may hold cash or use Money Market Instruments, deposits and cash borrowings according to limits set out in Appendix A to this Prospectus in order to optimize its cash management, for temporary defensive purposes or to fund anticipated redemptions or expenses of the Sub-Fund.

It cannot be assured that the investment objective indicated in the investment policy will be achieved.

## 3. Profile of the typical investor

An investment in this fund or sub-fund is suitable only for investors who are able to appraise the risks and economic value of the investment. The investor must be prepared to accept a moderate volatility of the fund units and potentially high capital losses in order to achieve returns higher than the usual market's interest level. The fund or sub-fund is intended for investors with a medium -term investment horizon.

## 4. Net Asset Value

The Valuation Day of the Sub-Fund is each Wednesday. If such day is not a Business Day, then the Valuation Day will be the following Business Day.

On such Valuation Day, the Net Asset Value per Share is calculated in accordance with Section "Determination of the Net Asset Value".

The Net Asset Value is made available at the registered office of the SICAV one Business Day following the relevant Valuation Day.

## 5. Subscriptions, conversions and redemptions

Any application for subscription, conversion or redemption received by the Registrar and Transfer Agent by 2.00 p.m. Luxembourg time two (2) Business Days at the latest prior the relevant Valuation Day, being the cut off time for the Sub-Fund, will be traded on the Net Asset Value as of that Valuation Day, which is calculated the following Business Day.

All subscriptions, conversions or redemptions will be handled on the basis of an unknown Net Asset Value.

Applications for the Sub-Fund received after the relevant cut-off time shall be deemed to have been received on the following Valuation Day, unless otherwise decided by the Board.

Subscription monies are due to be paid within two (2) Business Days following the relevant Valuation Day.

Redemptions proceeds shall be paid within five (5) Business Days following the relevant Valuation Day.

### Fees, Charges and Minimum Investment and Holding Amounts

	<b>Class A1 Shares</b>	<b>Class A2 Shares</b>	<b>Class C1 Shares</b>	<b>Class C2 Shares</b>
<b>Unit Currency</b>	EUR	USD	EUR	USD
<b>Sales Charge*</b>	Up to 0,5%	Up to 0,5%	Up to 0,5%	Up to 0,5%
<b>Redemption Charge</b>	N/A	N/A	N/A	N/A
<b>Conversion Charge</b>	N/A	N/A	N/A	N/A
<b>Investment Management<sup>1</sup></b>	up to 1.25%	up to 1.25%	up to 0.75%	up to 0.75%
<b>Fee Performance Fee</b>	10%	10%	10%	10%
<b>Hurdle Rate**</b>	3 months LIBOR in EUR	3 months LIBOR in USD	3 months LIBOR in EUR	3 months LIBOR in USD

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<sup>1</sup> Minimum EUR 15,000

<b>First Investment and Holding Amounts</b>	N/A	N/A	EUR 100,000.-	USD 100,000.-
<b>Subsequent Investments</b>	N/A	N/A	N/A	N/A

***Class C1 and C2 is a “Clean share”: Share classes available for retail and elective professional investors which on the basis of either (i) applicable legal and/or regulatory requirements including those rendering discretionary portfolio management and/or independent advice under MiFID or (ii) individual fee arrangements or commercial models with their clients are not allowed to receive and retain any rebate or payment from the Fund Manager***

The share class “Class A2 Shares” and “Class C2 Shares” are USD hedged. In line with ESMA's opinion on share classes of UCITS dated 30 January 2017, this does not contradict the principle of a common investment objective. Currency risk hedging is therefore a means to ensure that investors participate to the maximum extent possible in the same performance of the common pool of assets as other investors, even though their exposure to the fund is obtained through a different currency from the base currency of the fund. As such, all references to derivative overlays and hedging in this opinion should be understood as referring to currency risk hedging arrangements.

\*The sales charge (if any) will be paid to the Management Company or other intermediary involved in the distribution of the Shares.

\*\* If the NAV per Share appreciates during a given financial period (starting from the Sub-Fund's NAV per Share of a given Class as per the end of the preceding financial year) for more than the Hurdle Rate, the Management Company is entitled to receive a percentage of the excess increase of appreciation, as provided in the table above.

The Performance Fee will only be payable if the NAV per Share has reached a new maximum value and at the same time has surpassed the Hurdle Rate (“High Water Mark system”). The High Water Mark system will be calculated anew at the beginning of each financial year.

The period for which such Performance Fee is calculated will be based on the financial year of the Sub-Fund. The Performance Fee will be payable on the outstanding Shares of the Sub-Fund at the end of the relevant financial year on the basis of the NAV on the last available Valuation Day of the relevant financial year.

For the purpose of calculating the Performance Fee, the NAV per Share will be calculated by the Administrative Agent on the relevant day by determining the NAV of the Sub-Fund by the method outlined in Section “Determination of the Net Asset Value”, divided by the number of Shares in issue on that day.

In case of subscription, the Performance Fee calculation is adjusted to avoid that this subscription impacts the amount of Performance Fee accruals. To perform this adjustment, the performance of the NAV per Share against the reference NAV until the subscription date is not taken into account in the Performance Fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the reference NAV adjusted by the Hurdle Rate at the date of the subscription. This cumulated adjustment amount is used in the Performance Fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

If any Shares are redeemed or converted to Shares of another Sub-Fund during the calculation period, the cumulative Performance Fee accrued during the calculation period in respect of those Shares shall be crystallized and become payable to the Management Company even if no accrual for Performance Fees is done at the date of the payment.

For distribution of Shares, if a dividend was distributed during the relevant year, this dividend per Share is added to the current NAV per Share in order to determine the variation to be taken in consideration.

It should be noted that as the Net Asset Value per Share may differ between classes of Shares, separate performance fee calculations will be carried out for separate classes of Shares within the same Sub-Fund. Therefore, different levels of performance fee may become payable for each class of Shares.

## **6. Initial subscriptions**

The Sub-Fund has been launched on 21 February 2014.

## **7. Dilution Levy**

Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the Shareholders' interest in the Sub-Fund. In order to prevent this effect, called "dilution", the Sub-Fund has the power to charge a "dilution levy" on the subscription, redemption and/or conversion of Shares. If charged, the dilution levy will be paid into the relevant Sub-Fund and will become part of the relevant Sub-Fund's assets.

The dilution levy for the Sub-Fund may be applied for transactions representing 5% of its net assets on any Valuation Day and will be calculated by reference to the costs of dealing in the underlying investments of the Sub-Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of subscriptions, redemptions or conversions. The Board of Directors may charge a discretionary dilution levy on the subscription, redemption and/or conversion of Shares, if in its opinion, the existing Shareholders (for subscriptions) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

- where the Sub-Fund is in constant decline (large volume of redemption requests);
- on the Sub-Fund experiencing substantial subscriptions in relation to its size;
- in the case of "large volumes" of redemptions, subscriptions and/or conversions where "large volumes" refers to net redemptions or subscriptions exceeding 5% of the Sub-Fund's entire assets.

In any cases the dilution levy shall not exceed 2% of the Net Asset Value per Share.

## **8. Distribution features**

Shares accumulate their income and, accordingly, no distribution of income through the declaration of dividends will be made.

## **9. Listing of the Shares**

The Board reserves the right to list the Shares of any class of Shares of the Sub-Fund on the Luxembourg Stock Exchange, in which case the present Prospectus will be amended accordingly.

## **10. Sub-Fund's duration**

Unlimited.

## **11. Taxation**

The Sub-Fund is subject to a *taxe d'abonnement* of 0,05% per annum paid out of its Net Asset Value.

## **12. Specific risks**

Please refer to the general risks factors.

The following is a summary of risk factors relevant to an investment in this Sub-Fund and should be read in conjunction with the summary of the risk factors relevant to the SICAV:

- fixed income securities are subject to credit risk, which is an issuer’s inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity;
- equity securities and equity-linked instruments are generally considered higher risk investments, and the returns may be volatile;
- convertible securities are subject to the risks associated with both fixed income securities and equities, namely credit, price and interest-rate risk;
- the value of investments in other UCITS and UCI may be affected by currency fluctuations, local tax laws, government changes or variations of the monetary and economic policy of the relevant countries. Furthermore, the value of these investments will fluctuate mainly in light of the net asset value of the targeted UCITS and UCI. There shall be duplication of management fees and other operating fund related expenses;
- the Sub-Fund may participate in the on-exchange derivatives markets. In doing so, the Sub-Fund will be exposed to market, liquidity and counterparty credit risk;
- derivate markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money market instruments;
- risks inherent in the use of options and futures contracts include, but are not limited to (a) dependence on the investment manager’s ability to predict correctly movements in the direction of interest rates and securities prices; (b) imperfect correlation between the price of options and futures contracts and options thereon; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-Fund to sell a portfolio security at a disadvantageous time;
- the expected annualized volatility of the Sub-Fund will fluctuate up to maximum 9.9%.

### 13. Overview of securities financing transactions that are used

Securities financing transaction	Permitted	Used	Maximum amount	Estimated amount
Total return swaps	Yes	No	n.a.	n.a.
Repurchase transaction	Yes	Yes	100%	100%
Securities or commodities				
lending transaction	Yes	No	n.a.	n.a.
Buy/Sell-back transaction	Yes	No	n.a.	n.a.
Sell/Buy-back transaction	Yes	No	n.a.	n.a.
Lombard transaction	Yes	No	n.a.	n.a.

Information regarding the use of securities financing transactions is described in detail in the relevant annual financial report of the Fund.

### 14. Risk management procedure

The Management Company will introduce a risk management procedure in compliance with the Law of 17 December 2010 and other applicable regulations for the sub-fund, in particular the CSSF circular

11/512. Within the risk management procedure, the Management Company will record and measure the market risk, liquidity risk, counterparty risk and all other risks, including operational risks, which are intrinsic to the sub-fund.

In the context of the risk management procedure, the sub-fund's global exposure will be measured and checked by using the Commitment Approach.

# MORA FUNDS SICAV – MORA IBERIAN EQUITY FUND

## 1. Base Currency

The Base Currency of the Sub-Fund is the EUR

## 2. Investment objective and policy

The Sub-Fund's investment objective is to achieve long-term capital appreciation. The Sub-Fund seeks to accomplish this objective by investing in the Spanish and Portugal equity market with the objective to realize a relative net performance over the Ibex 35 Index (Net Total Return).

The Sub-Fund will be mainly invested in equities and equity related securities issued by companies that are headquartered in Spain or/and Portugal, or conduct preponderant part of their activity in Spain and/or Portugal.

The Sub-Fund may achieve also its investment objective indirectly, by investing no more than 10% of its net assets through other UCIs/UCITS, including UCITS-ETFs. On an ancillary basis (up to 49 %), the Sub-Fund may also invest in other Transferable Securities (e.g. money market instruments).

The Sub-Fund may use derivatives, for hedging purposes and for investment purposes, on an ancillary basis (up to 20 %) and within the limits set out in Appendix A to this Prospectus, all types of Derivatives traded on a Regulated Market and/or OTC, provided they are contracted with first class financial institutions specialized in this type of transactions. These market techniques and instruments will only be employed if they are in conformity with the investment policies of the Sub-Fund.

In addition to the above, the Sub-Fund may hold cash or use Money Market Instruments, deposits and cash borrowings in accordance within the limits set out in Appendix A to this Prospectus, in order to optimize its cash management, for temporary defensive purposes or to fund anticipated redemptions or expenses of the Sub-Fund.

It cannot be assured that the investment objective indicated in the investment policy will be achieved.

## 3. Profile of the typical investor

An investment in this fund or sub-fund is suitable only for investors who are able to appraise the risks and economic value of the investment. The investor must be prepared to accept a high volatility of the fund units and potentially substantial capital losses in order to achieve higher returns. The fund or sub-fund is intended for investors with a long-term investment horizon.

## 4. Net Asset Value

The Valuation Day of the Sub-Fund is each Business Day.

On such Valuation Day, the Net Asset Value per Share is calculated in accordance with Section "Determination of the Net Asset Value".

The Net Asset Value is made available at the registered office of the SICAV one Business Day following the relevant Valuation Day.

## 5. Subscriptions, conversions and redemptions

Any application for subscription, conversion or redemption received by the Registrar and Transfer Agent by 2.00 p.m. Luxembourg time at the latest on the relevant Valuation Day, being the cut off time for the

Sub-Fund, will be traded on the Net Asset Value as of that Valuation Day, which is calculated the following Business Day.

All subscriptions, conversions or redemptions will be handled on the basis of an unknown Net Asset Value.

Applications for the Sub-Fund received after the relevant cut-off time shall be deemed to have been received on the following Valuation Day, unless otherwise decided by the Board.

Payment for subscriptions by Shareholders shall be made no later than two (2) business day following the Valuation Day.

Payment of redemption proceeds by the SICAV shall be made no later than two (2) Business Days following the relevant Valuation Day.

	<b>Class A1 Shares</b>	<b>Class B1 Shares</b>	<b>Class C1 Shares</b>
<b>Unit Currency</b>	EUR	EUR	EUR
<b>Sales Charge*</b>	Up to 0,5%	Up to 0,5%	Up to 0,5%
<b>Redemption Charge</b>	N/A	N/A	N/A
<b>Conversion Charge</b>	N/A	N/A	N/A
<b>Investment Management Fee <sup>2</sup></b>	Up to 1.80%	Up to 1.25%	Up to 1.25%
<b>Performance Fee</b>	10%	10%	10%
<b>Hurdle Rate**</b>	Ibex 35 (IBEXNR)	Ibex 35 (IBEXNR)	Ibex 35 (IBEXNR)
<b>Minimum Investment and Holding Amounts</b>	N/A	EUR 1000,00.-	EUR 0.-

***Class C1 is a “Clean share”: Share classes available for retail and elective professional investors which on the basis of either (i) applicable legal and/or regulatory requirements including those rendering discretionary portfolio management and/or independent advice under MiFID or (ii) individual fee arrangements or commercial models with their clients are not allowed to receive and retain any rebate or payment from the Fund Manager***

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<sup>2</sup> Minimum EUR 15,000



\*The sales charge (if any) will be paid to the Management Company or other intermediary involved in the distribution of the Shares.

[\*\*] [If the NAV per Share appreciates during a given financial period (starting from the Sub-Fund's NAV per Share of a given Class as per the end of the preceding financial year) for more than the Hurdle Rate, the Investment Manager is entitled to receive a percentage of the excess increase of appreciation, as provided in the table above.

The Performance Fee will only be payable if the NAV per Share has reached a new maximum value and at the same time has surpassed the Hurdle Rate ("High Water Mark system"). The High Water Mark system will be calculated anew at the beginning of each financial year.

The period for which such Performance Fee is calculated will be based on the financial year of the Sub-Fund. The Performance Fee will be payable on the outstanding Shares of the Sub-Fund at the end of the relevant financial year on the basis of the NAV on the last available Valuation Day of the relevant financial year.

For the purpose of calculating the Performance Fee, the NAV per Share will be calculated by the Administrative Agent on the relevant day by determining the NAV of the Sub-Fund by the method outlined in Section "Determination of the Net Asset Value", divided by the number of Shares in issue on that day.

In case of subscription, the Performance Fee calculation is adjusted to avoid that this subscription impacts the amount of Performance Fee accruals. To perform this adjustment, the performance of the NAV per Share against the reference NAV until the subscription date is not taken into account in the Performance Fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the reference NAV adjusted by the Hurdle Rate at the date of the subscription. This cumulated adjustment amount is used in the Performance Fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

If any Shares are redeemed or converted to Shares of another Sub-Fund during the calculation period, the cumulative Performance Fee accrued during the calculation period in respect of those Shares shall be crystallized and become payable to the Investment Manager even if no accrual for Performance Fees is done at the date of the payment.

For distribution of Shares, if a dividend was distributed during the relevant year, this dividend per Shares is added to the current NAV per Share in order to determine the variation to be taken in consideration.

It should be noted that as the Net Asset Value per Share may differ between classes of Shares, separate performance fee calculations will be carried out for separate classes of Shares within the same Sub-Fund. Therefore, different levels of performance fee may become payable for each class of Shares.

## **6. Initial subscriptions**

The Sub-Fund will be launched upon decision of the Board of Directors. Subscriptions shall be accepted at a price per Share of EUR 100.- and with payment value date the Business Day following the end of the subscription period.

## **7. Dilution levy**

Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the Shareholders' interest in the Sub-Fund. In order to prevent this effect, called "dilution", the Sub-Fund has the power to charge a "dilution levy" on the subscription, redemption and/or conversion of Shares. If charged, the dilution levy will be paid into the relevant Sub-Fund and will become part of the relevant Sub-Fund's assets.

The dilution levy for the Sub-Fund may be applied for transactions representing 5% of its net assets on any Valuation Day and will be calculated by reference to the costs of dealing in the underlying investments of the Sub-Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of subscriptions, redemptions or conversions. The Board of Directors may charge a discretionary dilution levy on the subscription, redemption and/or conversion of Shares, if in its opinion, the existing Shareholders (for subscriptions) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

- where the Sub-Fund is in constant decline (large volume of redemption requests);
- on the Sub-Fund experiencing substantial subscriptions in relation to its size;
- in the case of "large volumes" of redemptions, subscriptions and/or conversions where "large volumes" refers to net redemptions or subscriptions exceeding 5% of the Sub-Fund's entire assets;
- in all other cases where the Sub-Fund considers the interests of Shareholders require the imposition of a dilution levy.

In any cases the dilution levy shall not exceed 2% of the Net Asset Value per Share.

## **8. Distribution features**

Shares accumulate their income and, accordingly, no distribution of income through the declaration of dividends will be made.

## **9. Listing of the Shares**

The Board reserves the right to list the Shares of any class of Shares of the Sub-Fund on the Luxembourg Stock Exchange, in which case the present Prospectus will be amended accordingly.

## **10. Sub-Fund's duration**

Unlimited.

## **11. Taxation**

The Sub-Fund is subject to a *taxe d'abonnement* of 0,05% per annum paid out of its Net Asset Value.

## **12. Specific risks**

Please refer to the general risks factors.

The following is a summary of risk factors relevant to an investment in this Sub-Fund and should be read in conjunction with the summary of the risk factors relevant to the SICAV:

- equity securities and equity-linked instruments are generally considered higher risk investments, and the returns may be volatile;
- convertible securities are subject to the risks associated with both fixed income securities and equities, namely credit, price and interest-rate risk;
- the value of investments in other UCITS and UCI may be affected by currency fluctuations, local tax laws, government changes or variations of the monetary and economic policy of the relevant countries. Furthermore, the value of these investments will fluctuate mainly in light of the net asset value of the targeted UCITS and UCI. There shall be duplication of management fees and other operating fund related expenses;
- the Sub-Fund may participate in the on-exchange derivatives markets. In doing so, the Sub-Fund will be exposed to market, liquidity and counterparty credit risk;
- derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money market instruments;

- risks inherent in the use of options and futures contracts include, but are not limited to (a) dependence on the investment managers' ability to predict correctly movements in the direction of interest rates and securities prices; (b) imperfect correlation between the price of options and futures contracts and options thereon; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio security at a time that otherwise would be favorable for it to do so, or the possible need for a Sub-Fund to sell a portfolio security at a disadvantageous time.
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### 13. Overview of securities financing transactions that are used

Securities financing transaction	Permitted	Used	Maximum amount	Estimated amount
Total return swaps	Yes	No	n.a.	n.a.
Repurchase transaction	Yes	Yes	100%	100%
Securities or commodities				
lending transaction	Yes	No	n.a.	n.a.
Buy/Sell-back transaction	Yes	No	n.a.	n.a.
Sell/Buy-back transaction	Yes	No	n.a.	n.a.
Lombard transaction	Yes	No	n.a.	n.a.

Information regarding the use of securities financing transactions is described in detail in the relevant annual financial report of the Fund.

### 14. Risk management procedure

The Management Company will introduce a risk management procedure in compliance with the Law of 17 December 2010 and other applicable regulations for the sub-fund, in particular the CSSF circular 11/512. Within the risk management procedure, the Management Company will record and measure the market risk, liquidity risk, counterparty risk and all other risks, including operational risks, which are intrinsic to the sub-fund.

In the context of the risk management procedure, the sub-fund's global exposure will be measured and checked by using the Commitment Approach

### 15. Benchmark

The IBEX 35 is the official index of the Spanish Continuous Market. The index is comprised of the 35 most liquid stocks traded on the Continuous market. It is calculated, supervised and published by the Sociedad de Bolsas. The equities use free float shares in the index calculation. The index was created with a base level of 3000 as of December 29, 1989.

IBEX 35 is not registered with the European Securities and Markets Authority (ESMA) in the public register of administrators and benchmarks under Regulation (EU) 2016/1011. Pursuant to Article 51 (1) of the Regulation (EU) 2016/1011 the IBEX 35 falls under the transitional provision and shall apply for authorisation or registration in accordance with Article 34 of the Regulation (EU) 2016/1011 by 1 January 2020.

The Management Company has established and maintains a benchmark contingency plan setting out the actions that would take in the event that a benchmark materially changes or ceases. This benchmark contingency plan will be made available to investors free of charge upon request.

# MORA FUNDS SICAV – MORA GLOBAL CURRENCIES FUND

## 1. Base Currency

The Base Currency of the Sub-Fund is the EUR.

## 2. Investment objective and policy

The Sub-Fund seeks to achieve absolute return greater than 2% over short to medium term, investing primarily in a diversified portfolio consisting of debt securities and currencies.

The Sub-Fund pursues an active currency management with the objective of over-performance greater than 2%. The Management Company implements a strategy based on fundamental value of OCDE and non OCDE exchange rates based on internal and external models and implement the ideas with the support of technical analysis. The portfolio construction is risk focused with an objective of maximum volatility of 4.99%.

The Sub-fund will invest primarily in fixed income and currency instruments. Fixed income instruments include all kind of debt securities, money market instruments or deposits, denominated in any currency, issued by corporates, sovereigns, governments, public, international bodies or other public issuers within the limits set out in Appendix A to this Prospectus. The rating of the above mentioned instruments will be Investment Grade as awarded by one or more recognized credit rating agencies.

Regarding the investment in currencies, the Sub-fund will build the exposure primarily through derivatives such as currency futures, option and forwards. The global exposure of the Sub-fund to currencies should not exceed 100% of its net assets.

The Sub-Fund may achieve also its investment objective indirectly, by investing no more than 10% of its net assets through other UCIs/UCITS, including UCITS-ETFs. On an ancillary basis (up to 49 %), the Sub-Fund may also invest in other Transferable Securities (e.g. money market instruments).

The Sub-Fund may use, for hedging purposes and for investment purposes within the limits set out in Appendix A to this Prospectus, all types of Derivatives traded on a Regulated Market and/or OTC provided they are contracted with first class financial institutions specialized in this type of transactions. In particular, the Sub-Fund may take exposure through Derivatives and forwards on any eligible underlying, such as currencies, interest rates, Transferable Securities or financial indices, at all times in compliance with applicable regulations. These market techniques and instruments will only be employed if they are in conformity with the investment policies of the Sub-Fund.

It cannot be assured that the investment objective indicated in the investment policy will be achieved.

## 3. Profile of the typical investor

An investment in this fund or sub-fund is suitable only for investors who are able to appraise the risks and economic value of the investment. The investor must be prepared to accept a moderate volatility of the fund units and potentially high capital losses in order to achieve returns higher than the usual market's interest level. The fund or sub-fund is intended for investors with a medium-term investment horizon.

## 4. Net Asset Value

The Valuation Day of the Sub-Fund is each Business Day.

On such Valuation Day, the Net Asset Value per Share is calculated in accordance with Section “Determination of the Net Asset Value”.

The Net Asset Value is made available at the registered office of the SICAV one Business Day following the relevant Valuation Day.

## 5. Subscriptions, conversions and redemptions

Any application for subscription, conversion or redemption received by the Registrar and Transfer Agent by 2.00 p.m. Luxembourg time at the latest on the relevant Valuation Day, being the cut off time for the Sub-Fund, will be traded on the Net Asset Value as of that Valuation Day, which is calculated the following Business Day.

All subscriptions, conversions or redemptions will be handled on the basis of an unknown Net Asset Value.

Applications for the Sub-Fund received after the relevant cut-off time shall be deemed to have been received on the following Valuation Day, unless otherwise decided by the Board.

Payment for subscriptions by Shareholders shall be made no later than three (3) business day following the Valuation Day.

Payment of redemption proceeds by the SICAV shall be made no later than three (3) Business Days following the relevant Valuation Day.

### Fees, Charges and Minimum Investment and Holding Amounts

	<b>Class A1 Shares</b>	<b>Class B1 Shares</b>	<b>Class C1 Shares</b>
<b>Unit Currency</b>	EUR	EUR	EUR
<b>Sales Charge*</b>	Up to 0,5%	Up to 0,5%	Up to 0,5%
<b>Redemption Charge</b>	N/A	N/A	N/A
<b>Conversion Charge</b>	N/A	N/A	N/A
<b>Investment Management Fee<sup>3</sup></b>	Up to 1.10	Up to 0.85%	Up to 0.85%
<b>Performance Fee</b>	10%	10%	10%
<b>Hurdle Rate**</b>	2%	2%	2%

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<sup>3</sup> Minimum EUR 15,000

**Minimum Investment and Holding Amounts**

N/A

EUR 1000,00.-

EUR 0.-

***Class C1 is a “Clean share”: Share classes available for retail and elective professional investors which on the basis of either (i) applicable legal and/or regulatory requirements including those rendering discretionary portfolio management and/or independent advice under MiFID or (ii) individual fee arrangements or commercial models with their clients are not allowed to receive and retain any rebate or payment from the Fund Manager***

\*The sales charge (if any) will be paid to the Management Company or other intermediary involved in the distribution of the Shares.

\*\* If the NAV per Share appreciates during a given financial period (starting from the Sub-Fund’s NAV per Share of a given Class as per the end of the preceding financial year) for more than the Hurdle Rate, the Management Company is entitled to receive a percentage of the excess increase of appreciation, as provided in the table above.

The Performance Fee will only be payable if the NAV per Share has reached a new maximum value and at the same time has surpassed the Hurdle Rate (“High Water Mark system”). The High Water Mark system will be calculated anew at the beginning of each financial year.

The period for which such Performance Fee is calculated will be based on the financial year of the Sub-Fund. The Performance Fee will be payable on the outstanding Shares of the Sub-Fund at the end of the relevant financial year on the basis of the NAV on the last available Valuation Day of the relevant financial year.

For the purpose of calculating the Performance Fee, the NAV per Share will be calculated by the Administrative Agent on the relevant day by determining the NAV of the Sub-Fund by the method outlined in Section “Determination of the Net Asset Value”, divided by the number of Shares in issue on that day.

In case of subscription, the Performance Fee calculation is adjusted to avoid that this subscription impacts the amount of Performance Fee accruals. To perform this adjustment, the performance of the NAV per Share against the reference NAV until the subscription date is not taken into account in the Performance Fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the reference NAV adjusted by the Hurdle Rate at the date of the subscription. This cumulated adjustment amount is used in the Performance Fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

If any Shares are redeemed or converted to Shares of another Sub-Fund during the calculation period, the cumulative Performance Fee accrued during the calculation period in respect of those Shares shall be crystallized and become payable to the Management Company even if no accrual for Performance Fees is done at the date of the payment.

For distribution of Shares, if a dividend was distributed during the relevant year, this dividend per Share is added to the current NAV per Share in order to determine the variation to be taken in consideration.

It should be noted that as the Net Asset Value per Share may differ between classes of Shares, separate performance fee calculations will be carried out for separate classes of Shares within the same Sub-Fund. Therefore, different levels of performance fee may become payable for each class of Shares.

**6. Initial subscriptions**

The Sub-Fund will be launched upon decision of the Board of Directors. The Sub-Fund will be launched upon decision of the Board of Directors. Subscriptions shall be accepted at a price per Share of EUR 100.- and with payment value date the Business Day following the end of the subscription period.

## **7. Dilution Levy**

Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the Shareholders' interest in the Sub-Fund. In order to prevent this effect, called "dilution", the Sub-Fund has the power to charge a "dilution levy" on the subscription, redemption and/or conversion of Shares. If charged, the dilution levy will be paid into the relevant Sub-Fund and will become part of the relevant Sub-Fund's assets.

The dilution levy for the Sub-Fund may be applied for transactions representing 5% of its net assets on any Valuation Day and will be calculated by reference to the costs of dealing in the underlying investments of the Sub-Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of subscriptions, redemptions or conversions. The Board of Directors may charge a discretionary dilution levy on the subscription, redemption and/or conversion of Shares, if in its opinion; the existing Shareholders (for subscriptions) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

- where the Sub-Fund is in constant decline (large volume of redemption requests);
- on the Sub-Fund experiencing substantial subscriptions in relation to its size;
- in the case of "large volumes" of redemptions, subscriptions and/or conversions where "large volumes" refers to net redemptions or subscriptions exceeding 5% of the Sub-Fund's entire assets.

In any cases the dilution levy shall not exceed 2% of the Net Asset Value per Share.

## **8. Distribution features**

Shares accumulate their income and, accordingly, no distribution of income through the declaration of dividends will be made.

## **9. Listing of the Shares**

The Board reserves the right to list the Shares of any class of Shares of the Sub-Fund on the Luxembourg Stock Exchange, in which case the present Prospectus will be amended accordingly.

## **10. Sub-Fund's duration**

Unlimited.

## **11. Taxation**

The Sub-Fund is subject to a *taxe d'abonnement* of 0,05% per annum paid out of its Net Asset Value.

## **12. Specific risks**

Please refer to the general risks factors.

The following is a summary of risk factors relevant to an investment in this Sub-Fund and should be read in conjunction with the summary of the risk factors relevant to the SICAV:

- fixed income securities are subject to credit risk, which is an issuer’s inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity;
- the value of investments in other UCITS and UCI may be affected by currency fluctuations, local tax laws, government changes or variations of the monetary and economic policy of the relevant countries. Furthermore, the value of these investments will fluctuate mainly in light of the net asset value of the targeted UCITS and UCI. There shall be duplication of management fees and other operating fund related expenses;
- the Sub-Fund may participate in the on-exchange derivatives markets. In doing so, the Sub-Fund will be exposed to market, liquidity and counterparty credit risk;
- derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money market instruments;
- risks inherent in the use of options and futures contracts include, but are not limited to (a) dependence on the investment manager’s ability to predict correctly movements in the direction of interest rates and securities prices; (b) imperfect correlation between the price of options and futures contracts and options thereon; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio security at a time that otherwise would be favorable for it to do so, or the possible need for a Sub-Fund to sell a portfolio security at a disadvantageous time;
- the expected annualized volatility of the Sub-Fund will fluctuate up to maximum 4.99%.

### 13. Overview of securities financing transactions that are used

Securities financing transaction	Permitted	Used	Maximum amount	Estimated amount
Total return swaps	Yes	No	n.a.	n.a.
Repurchase transaction	Yes	Yes	100%	100%
Securities or commodities				
lending transaction	Yes	No	n.a.	n.a.
Buy/Sell-back transaction	Yes	No	n.a.	n.a.
Sell/Buy-back transaction	Yes	No	n.a.	n.a.
Lombard transaction	Yes	No	n.a.	n.a.

Information regarding the use of securities financing transactions is described in detail in the relevant annual financial report of the Fund.

### 14. Risk management procedure

The Management Company will introduce a risk management procedure in compliance with the Law of 17 December 2010 and other applicable regulations for the sub-fund, in particular the CSSF circular 11/512. Within the risk management procedure, the Management Company will record and measure the market risk, liquidity risk, counterparty risk and all other risks, including operational risks, which are intrinsic to the sub-fund.

In the context of the risk management procedure, the sub-fund’s global exposure will be measured and checked by using the Commitment Approach.