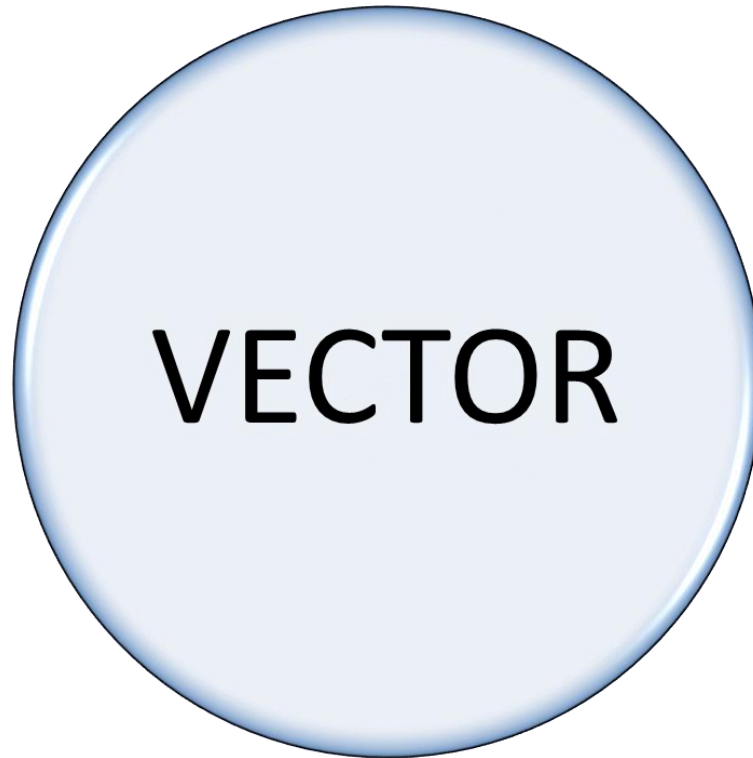


**PROSPECTUS**  
relating to shares in



a Luxembourg société d'investissement à capital variable  
Compliant with the Directive 2009/65/EC of the European Parliament and  
of the Council of 13 July 2009 (UCITS)

**April 2014**

**VISA 2014/94383-3445-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2014-04-25

Commission de Surveillance du Secteur Financier

A handwritten signature in blue ink, consisting of several fluid, connected strokes.

**VECTOR**

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## GLOSSARY

**Administrative Agent, Registrar and Transfer Agent, Paying Agent and Domiciliary Agent:** Banque Privée Edmond de Rothschild Europe or any entity appointed as its successor.

**Articles:** the articles of incorporation of the Company, as amended from time to time.

**Board:** the board of directors of the Company, as appointed from time to time.

**Business Day:** any day on which banks in Luxembourg are open for business (other than December 24 and Good Friday).

**Class or Classes:** one or more separate classes of shares of a Sub-Fund.

**Company:** Vector.

**CSSF:** the *Commission de Surveillance du Secteur Financier*.

**Depositary Bank:** Banque Privée Edmond de Rothschild Europe or any other entity appointed as depositary bank.

**Directive:** the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

**Eligible State:** any EU Member State, any member State of the OECD, and any other State which the Board deems appropriate with regard to the investment objectives of each Sub-Fund. Eligible States include in this category countries in Africa, the Americas, Asia, Australasia and Europe.

**EU Member State:** a member State of the European Union or of the European Economic Area.

**Key Investor Information Document (the "KIID"):** the key investor information document of each Class of the Company.

**Law:** the Law of 17 December 2010 on undertakings for collective investment, as amended.

**Law of 1915:** the Law of 10 August 1915 on commercial companies, as amended.

**Management Company:** Vector Asset Management S.A. or any entity appointed as its successor.

**Mémorial:** the *Mémorial C, Recueil des Sociétés et Associations*, the Luxembourg gazette.

**Net Asset Value:** the net value of the assets attributable to the Company, a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles and the Prospectus.

**OECD:** the Organisation for Economic Cooperation and Development.

**Prospectus:** the prospectus of the Company, as amended from time to time.

**Regulated Market:** a regulated market as defined in Directive 2004/39/EC of 21 April 2004 on financial instruments markets (Directive 2004/39/EC) or in any repealing directive or implementing regulation, i.e. a market on the list of regulated markets prepared by each EU Member State, that functions regularly characterised by the fact that the regulations issued or approved by the competent authorities set out the conditions of operation and access to the market, as well as the conditions that a given financial instrument must meet in order to be traded on the market, in compliance with all information and transparency obligations prescribed in Directive 2004/39/EC or in any repealing directive or implementing regulation, as well as any other regulated and recognised market open to the public in an Eligible State that operates regularly.

**Same Body:** has the same meaning as in the Directive.

**Same Issuer:** has the same meaning as in the Directive.

**Sub-Fund:** refers to a sub-fund of the Company.

**UCI:** an undertaking for collective investment within the meaning of points a) and b) of Article 1 (2) of the Directive.

**UCITS:** an undertaking for collective investment authorised according to the Directive.

**Valuation Day:** any Business Day on which the Net Asset Value per share of any Sub-Fund is determined unless otherwise specifically provided for a Sub-Fund or Class in Appendix I.

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This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful.

Prospective investors should consult their bank manager, stock broker, solicitor, accountant or other financial advisor as to the legal, administrative or tax consequences of them acquiring, holding, redeeming, converting, transferring shares under the laws of the countries of their respective citizenship, residence or domicile including any foreign exchange control regulations.

No person is authorised to give any information or to make any representation in connection with the issue of shares in Vector which is not contained or referred to herein.

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

The claims of shareholders against the Board shall lapse five years after the date of the event which gave rise to the rights claimed.

The Company also draws the attention of investors to the fact that before any subscription of shares, investors should consult the KIIDs on Classes of shares available on the website [www.vector.lu](http://www.vector.lu). A paper copy of the KIIDs may also be obtained at the registered office of the Company, of the Management Company or of the distributors, free of charge.

Certain personal data concerning investors may be gathered, recorded, transferred, treated and used by the Company, the Central Administration, as well as by other companies linked to the Company, the Management Company or the distributors/nominees. Such data may be used particularly within the framework of the identification obligations required by the legislation relating to the fight against money laundering and terrorist financing. Such information will not be transmitted to non-authorized third parties. By subscribing to shares of the Company, each investor agrees to such a treatment of its personal data.

The shares offered hereby have not been registered under the U.S. SECURITIES ACT OF 1933 and the Company is not registered under the U.S. INVESTMENT COMPANY ACT OF 1940. Accordingly, the shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America, its territories or possessions or to "U.S. PERSONS", as that term is defined in RULE 902(k) OF REGULATION S OF THE U.S. SECURITIES AND EXCHANGE COMMISSION. By subscribing any of these shares, the investor and/or any persons acting on behalf of the investor represent(s) that the beneficial owner is not a U.S. PERSON.

## DESCRIPTION OF THE COMPANY

### INCORPORATION

The Company is a limited liability company organised as a *société d'investissement à capital variable* incorporated in Luxembourg on 8 July 2002 for an unlimited duration. The Company is subject to the provisions of the Law of 1915 and of Part I of the Law and is compliant with the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

The Company qualifies as an undertaking for collective investment in transferable securities under article 1(2) of the Directive.

The Articles were published in the *Mémorial* on 30 July 2002. The last amendments to the Articles were published in the *Mémorial* on 27 August 2010. The consolidated Articles have been deposited with the *Registre de Commerce et des Sociétés* of Luxembourg, where they are available for inspection.

### SHARE CAPITAL

The share capital of the Company shall at any time be equal to the total net asset of the various Sub-Funds and is represented by shares of no par value and fully paid up. The minimum capital is Euro 1,250,000 (one million two hundred and fifty thousand).

### SUB-FUNDS

The Articles authorise the Board to issue shares at any time in different Sub-Funds. Proceeds from the issue of shares within each Sub-Fund may be invested in transferable securities and other eligible assets corresponding to a particular geographical area, industrial sector or monetary zone, and/or particular types of equity, equity-related or debt securities as the Board may from time to time determine.

The Sub-Funds in issue at the date of the present Prospectus and their specific features are fully described in Appendix I. Should the Board decide to create additional Sub-Funds or issue additional classes of shares, Appendix I of the present Prospectus will be updated accordingly.

### CLASSES OF SHARES

In order to meet the specific needs of shareholders, the Board may further decide to issue within each Sub-Fund two or more Classes of shares, the assets of which will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned, although a separate sales and redemption mechanism, fee structure, distribution policy, hedging policy and any other characteristic may be applicable to a particular Class of shares within each Sub-Fund.



A separate Net Asset Value per share, which may differ as a consequence of these variable factors, will be calculated for each Class of shares.

The particular features of each Class of shares per Sub-Fund available are shown in Appendix I. Among these features, the Board may provide minimum investment and holding amounts for all or some of the Classes of shares. The Board may, on a discretionary basis, decide not to apply any of these minimum requirements.

The Classes issued for each Sub-Fund are specified in the Appendix I.

The Classes may be restricted to certain investors as disclosed in Appendix I.

#### **REGISTERED OFFICE**

The Company has its registered office in the Grand Duchy of Luxembourg, 20, Boulevard Emmanuel Servais, L-2535 Luxembourg. It is under registration with the Register of Commerce and Companies of Luxembourg.

#### **LISTING**

Some classes of shares in the Company may be listed on the Luxembourg Stock Exchange, in which case this will be indicated in Appendix I.

### **INVESTMENT OBJECTIVE AND POLICY**

The Company provides the investors with an opportunity for investment in all types of transferable securities and/or in other liquid financial assets referred to in Article 41 of the Law through professionally managed Sub-Funds, which are distinguished mainly by their specific investment policy and objective, and, as the case may be, by the currency in which they are denominated or other specific features applicable to each of them.

The specific investment objective and policy of each Sub-Fund is described in Appendix I.

The investments of each Sub-Fund shall at any time comply with the restrictions set out under chapter "Investment Restrictions", and investors should, prior to any investment being made, take due account of the risks of investments set out under chapter "Risk Factors".

### **INVESTMENT RESTRICTIONS**

The Board has decided that the following restrictions shall apply to all investments made by Sub-Funds of the Company. These restrictions may be amended from time to time by the Board if and as it shall deem it to be in the best interest of the Company in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Sub-Fund. Those restrictions in paragraph 1. (D) below are applicable to the Company as a whole.

**I. Investment in eligible assets**

(A) (1) The Company will exclusively invest in:

- a) transferable securities and money market instruments admitted to or dealt in on a Regulated Market; and/or
- b) transferable securities and money market instruments dealt in on another market in an Eligible State; and/or
- c) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an official stock exchange or another Regulated Market and such admission is achieved within one year of the issue; and/or
- d) units of an UCITS and/or of another UCI, whether situated in an EU Member State or not, provided that:
  - such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured,
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the Directive,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or
- e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law; and/or

f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs (a) and (b) above, or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this section (A) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

and/or

g) money market instruments other than those dealt in on a Regulated Market, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or
- issued by an undertaking any securities of which are dealt in on Regulated Markets, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the Net Asset Value of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

(B) (i) Each Sub-Fund may hold ancillary liquid assets.

(ii) The Company will ensure that the global exposure relating to derivative instruments does not exceed the total net value of the Sub-Fund to which they apply.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

The Company may invest, as part of the investment policy of its Sub-Funds and within the limits laid down in paragraph (C)(v), in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph (C). When the Company, on behalf of any of its Sub-Funds, invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph (C).

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this item (B).

(C) (i) Each Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the Same Body.

Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the Same Body. The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (A) (1) (e) above or 5% of its net assets in other cases.

(ii) Furthermore, where any Sub-Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Sub-Fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C) (i), a Sub-Fund may not combine, where this would lead to investment of more than 20% of its net assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body,

- deposits made with that body, and/or
  - exposures arising from OTC derivative transactions undertaken with that body.
- (iii) The limit of 10% laid down in paragraph (C)(i) above shall be of a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, its local authorities or by an Eligible State or by public international bodies of which one or more EU Member States are members.
- (iv) The limit of 10% laid down in paragraph (C) (i) above shall be of a maximum of 25% in respect of debt securities which are issued by credit institutions having their registered office in an EU Member State and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities. In particular, sums deriving from the issue of such debt securities must be invested in accordance with the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Sub-Fund.

- (v) The transferable securities and money market instruments referred to in paragraphs (C)(iii) and (C)(iv) are not included in the calculation of the limit of 40% referred to in paragraph (C)(ii).

The limits set out in paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the Same Body, in deposits or derivative instruments made with this body, effected in accordance with paragraphs (C)(i), (C)(ii), (C)(iii) and (C) (iv) may not, in any event, exceed a total of 35% of each Sub-Fund's Net Asset Value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

A Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- (vi) Without prejudice to the limits laid down in paragraph (D), the limits laid down in paragraphs (C) (i), C (ii), C (iii), C (iv) and C (v) are raised to a maximum of 20% for investments in stock and/or debt securities issued by the Same Body when the aim

of a Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, provided

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

The limit laid down in the subparagraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant provided that the investment up to 35% is only permitted for a single issuer.

- (vii) Where any Sub-Fund has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities or by a non-EU Member State acceptable to the CSSF (such as but not limited to a member State of the OECD, Brazil, Singapore, Russia, Indonesia or South Africa) or by public international bodies of which one or more EU Member States are members, the Company may invest 100% of the Net Asset Value of any Sub-Fund in such transferable securities and money market instruments provided that such Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Sub-Fund.**

Subject to having due regard to the principle of risk spreading, a Sub-Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its authorisation and launch.

- (D) (i) The Company may not acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.
- (ii) The Company may acquire no more than
- (a) 10% of the non-voting shares of the Same Issuer,
  - (b) 10% of the debt securities of the Same Issuer, and/or
  - (c) 10% of the money market instruments of the Same Issuer.

However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of instruments in issue cannot be calculated.

- (iii) The limits set out in paragraph (D)(i) and (ii) above shall not apply to:
- (a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;

- (b) transferable securities and money market instruments issued or guaranteed by any other Eligible State;
  - (c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members; or
  - (d) shares held in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that State where, under the legislation of that State, such holding represents the only way in which such Sub-Fund can invest in the securities of the issuing bodies of that State, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.
- (E) (i) Unless otherwise provided in Appendix I for any specific Sub-Fund, each Sub-Fund may acquire the units of the UCITS and/or other UCIs referred to in paragraph (A) (d), provided that no more than 20% of a Sub-Fund's net assets are invested in the units of a single UCITS or other UCI.

For the purpose of the application of this investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- (ii) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.
- (iii) When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding (i.e., more than 10% of the capital or voting rights), the Management Company or that other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such UCITS and/or other UCIs.

In respect of a Sub-Fund's investments in UCITS or other UCIs as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 2.5% of the relevant net assets under management unless otherwise provided for a specific Sub-Fund in Appendix I. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- (iv) The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other

UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.

- (v) The underlying investments held by the UCITS or other UCIs in which the Sub-Funds invest do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.
- (vi) A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "Target Sub-Fund") without the Company being subject to the requirements of the Law of 1915, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:
  - the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund; and
  - no more than 10% of the assets that the Target Sub-Fund whose acquisition is contemplated, may, according to its investment policy, be invested in shares of other UCITS or other UCIs; and
  - the Investing Sub-Fund may not invest more than 20% of its net assets in shares of a single Target Sub-Fund; and
  - voting rights, if any, attaching to the shares of the Target Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
  - for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
  - there is no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund having invested in the Target Sub-Fund, and this Target Sub-Fund.
- (vii) Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.
  - a. A Feeder UCITS shall invest at least 85% of its assets in the units or shares of another Master UCITS.



- b. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:
- ancillary liquid assets in accordance with paragraph I.(B)(i);
  - financial derivative instruments, which may be used only for hedging purposes;

For the purposes of compliance with Article 42 par (3) of the Law, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent under b) with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

## **II. Investment in other assets**

- (A) The Company will not make investments in precious metals or certificates representing these.
- (B) The Company may not enter into transactions involving commodities, commodity options, options on commodity futures or commodity futures, except that the Company may employ financial derivative instruments and other techniques and instruments relating to transferable securities and money market instruments as set out below.
- (C) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (D) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in 1.(A) (1) d), f) and g).
- (E) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund, and then only on a temporary basis. However, the Company may acquire foreign currency by means of back-to-back loans.
- (F) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in (E) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Sub-Fund. In connection with swap transactions, option and forward exchange or futures transactions, the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.

(G) The Company will not underwrite or sub-underwrite securities of other issuers.

### **III. Risk-management process**

The Management Company will use a risk-management process which enables it to monitor and measure at any time the risk of each Sub-Fund's portfolio positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company will employ a process for accurate and independent assessment of the value of any OTC derivative instruments.

While assessing the risks involved in the management of the assets of each Sub-Fund, the Management Company will, in addition to the global exposure, monitor risks such as market risks, liquidity risks, counterparty risks and operational risks.

The Management Company will calculate the global exposure of each Sub-Fund by assessing the risk profile of the various Sub-Funds resulting from their investment policy. For this purpose, the Management Company will use the commitment approach for the determination of the global exposure as specified in the applicable legislations and regulations, including without limitation CSSF Circular 11/512.

With the commitment approach, the positions on financial derivative instruments will be converted into equivalent positions on the underlying assets (as an alternative method the notional amount may be used). Any Sub-Fund's global exposure, limited to 100% of the Sub-Fund's total net assets, will then equal the sum of the absolute value of each commitment, after consideration of possible effects of netting and hedging in accordance with applicable laws and regulations.

### **IV. General**

The Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such transferable securities and money market instruments referred to in paragraph I, (A) (1) or of ancillary liquid assets shall not be deemed to be the making of a loan.

The Company needs not to comply with the investment limit percentages laid down above when exercising subscription rights attached to securities which form part of its assets. If such percentages are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

## **FINANCIAL DERIVATIVE INSTRUMENTS**

Unless otherwise provided for a Sub-Fund in Appendix I, each Sub-Fund is authorised, in accordance with the investment restrictions and their relevant investment policy, to use financial derivative instruments for investment purposes as well as efficient portfolio management purposes. In addition, each Sub-Fund is entitled to use financial derivative instruments for currency, interest rate or other

hedging purposes. The global exposure of each Sub-Fund relating to financial derivative instruments shall not exceed the net assets of the Sub-Fund.

Under no circumstances may the use of financial derivative instruments result in an investment policy diverging from that set out for each Sub-Fund in this Prospectus.

Exposure is calculated taking into account the current value of underlying assets, counterparty risk, foreseeable market movements and the time available to liquidate positions. This also applies to the following paragraphs.

As indicated above, the Sub-Funds may, within the framework of their investment policies and within the limits laid down in (A)(1)f) above, invest in financial derivative instruments provided that the overall risks to which the underlying assets are exposed do not exceed the investment limits set out in (C)(i) to (v) above. When the Company invests in index-based financial derivative instruments, these investments do not necessarily have to be combined for the purpose of the limits set out above in (C).

When a financial derivative instrument is embedded in a transferable security or money market instrument, this must be taken into account for the purposes of complying with the provisions of this section.

#### **TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS**

The Company may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down in the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against risk.

In particular and to the extent permitted by, and within the limits of, the Law and any related Luxembourg law or any other regulation in force, circulars and positions of the CSSF and, in particular, the provisions of (i) Article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the amended Law of 20 December 2002 relating to undertakings for collective investment and (ii) CSSF Circular 08/356 relating to rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments (as amended or replaced from time to time) and the CSSF Circular 13/559 relating to the ESMA Guidelines on ETF and other UCITS issues ("Circular 13/559"), each Sub-Fund can, in order to generate capital or additional income or to reduce costs or risk (A) enter into repurchase transactions, either as a buyer or a seller, and (B) engage in securities lending transactions.

Where applicable, cash received as guarantee by each Sub-Fund in relation to one of these operations can be reinvested in a manner compatible with the investment objectives of the Sub-Fund in (a) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and with a rating of AAA or equivalent, (b) short-term bank certificates, (c) money market instruments as defined within the Grand Ducal regulation mentioned above, (d) short-term bonds issued or guaranteed by an EU Member State, Switzerland, Canada, Japan or the United States or

their local public authorities or supranational institutions and EU, regional or worldwide undertakings, (e) bonds issued or guaranteed by issuers of the first order offering adequate liquidity, and (f) reverse repurchase agreement transactions in accordance with the provisions described in section I.C. a) of the CSSF circular mentioned above. This reinvestment will be taken into account when calculating the overall risk of each Sub-Fund concerned, in particular if it creates leverage.

Unless otherwise stipulated in the investment policy of a Sub-Fund, collateral received will not be reinvested.

Unless otherwise provided in the relevant Appendix for a particular Sub-Fund, the Company will not engage in repurchase agreement, reverse repurchase agreement and securities lending transactions. When the use of these techniques and instruments is permitted in relation to a specific Sub-Fund, the latter's investment policy shall describe the type of collateral to be received and the collateral policy and shall contain the information requested by the Circular 13/559.

All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Company.

#### **CO-MANAGEMENT AND POOLING**

To ensure effective management, the Management Company is authorised to manage all or part of the assets of one or more Sub-Funds with other Sub-Funds in the Company (pooling technique) or to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds of the Company with assets of other Luxembourg undertakings for collective investment or of one or more sub-funds of other Luxembourg undertakings for collective investment (hereinafter called "Party(ies) to co-managed assets") for which the Company's Depositary Bank was appointed as depositary bank. These assets will be managed in accordance with the respective investment policy of the Parties to co-managed assets, each of which pursuing identical or comparable objectives. Parties to co-managed assets will only participate in co-managed assets as stipulated in their respective prospectus and in accordance with their respective investment restrictions.

Each Party to co-managed assets will participate in co-managed assets in proportion to the assets contributed thereto by it. Assets will be allocated to each Party to co-managed assets in proportion to its contribution to co-managed assets. The entitlements of each Party to co-managed assets apply to each line of investment in the aforesaid co-managed assets.

The aforementioned co-managed assets will be formed by the transfer of cash or, if necessary, other assets from each Party to co-managed assets. Thereafter, the Management Company may regularly make subsequent transfers to co-managed assets. The assets can also be transferred back to a Party to co-managed assets for an amount not exceeding the participation of the said Party to co-managed assets.

Dividends, interest and other distributions deriving from income generated by co-managed assets will accrue to the Parties to co-managed assets in proportion to their respective investments. Such income may be kept by the Party to co-managed assets or reinvested in the co-managed assets.

All charges and expenses incurred in respect of co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to co-managed assets in proportion to its respective entitlement in the co-managed assets.

In the case of infringement to investment restrictions affecting a Sub-Fund of the Company, when such a Sub-Fund takes part in co-management and even though the Management Company has complied with the investment restrictions applicable to the co-managed assets in question, the Management Company shall, or the Board shall ask the Management Company to, reduce the investment in question proportionally to the participation of the Sub-Fund concerned in the co-managed assets or, if necessary, reduce its participation in the co-managed assets so that investment restrictions for the Sub-Fund are observed.

When the Company is liquidated or when the Board or the Management Company decides - without prior notice - to withdraw the participation of the Company or a Sub-Fund from co-managed assets, the co-managed assets will be allocated to Parties to co-managed assets proportionally to their respective participation in the co-managed assets.

**Investors must be aware of the fact that such co-managed assets are employed solely to ensure effective management, and provided that all Parties to co-managed assets have the same depository bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each Sub-Fund will be constantly separated and identifiable.**

## SHARES

Subject to investors eligibility criteria set forth in Appendix I, shares of each Sub-Fund are freely transferable and, upon issue, are entitled to participate equally in the profits and dividends of the Sub-Fund to which they relate and, if applicable, in the proceeds of liquidation. The shares of each Sub-Fund carry no preferential or pre-emptive rights and each share is entitled to one vote at all the meetings of shareholders.

As from the date of this Prospectus, all shares are issued exclusively in registered form without certificates. Bearer shares in issue at the date of this Prospectus remain valid until their redemption. Instead of certificates, the Registrar and Transfer Agent will issue a confirmation of registration in the shareholders' register held at the registered office of the Company. Confirmations of registration in the shareholders' register will be sent to the shareholder within five business days following payment of the subscription price. All shares in the Company must be fully paid-up. Fractioned entitlements will be recognised up to 3 decimal places. The resulting cash fraction remainder is retained in the Sub-Fund for inclusion in the subsequent calculations.

Within each Sub-Fund, the Board may issue capitalisation and distribution shares. Distribution shares entitle the holders thereof to dividends out of the portion of the net assets attributable to the distribution shares of the relevant Sub-Fund. Capitalisation shares do not grant to their holder the right to receive dividends. The fraction of results attributable to capitalisation shares of a Sub-Fund will be reinvested in the relevant Sub-Fund.

Some classes of shares of the Company may be listed on the Luxembourg Stock Exchange. Trading in shares of the Company on the Luxembourg Stock Exchange will be made in accordance with the rules and regulations of the Luxembourg Stock Exchange and subject to the payment of normal brokerage fees. The fractional entitlements to shares cannot be traded on the Luxembourg Stock Exchange.

## ISSUE OF SHARES

The Company reserves the right to reject any application in whole or in part. If an application is rejected or an allotment is cancelled, the Company, at the risk of the applicant, will return the application monies or the balance thereof, at the cost of the applicant, by telegraphic transfer or SWIFT. No share of any Class may be issued during any period in which the calculation of the Net Asset Value of the Sub-Fund to which such Class belongs has been suspended by the Company.

A subscription fee of up to 3% may be charged by the Company on behalf of the relevant Class of shares and will be payable to the Management Company, the distributors of the Company's shares or any agent active in the placement of the Company's shares. The applicable fee rate (if any) is set out in Appendix I.

Shares may be subscribed as of each Valuation Day. Applications for shares must be received by 6 p.m. on the Business Day preceding the applicable Valuation Day. Applications received after this cut-off time will be dealt with on the basis of the Net Asset Value determined as of the next Valuation Day.

Applications for shares will be executed, if accepted, on the basis of the Net Asset Value determined as of the applicable Valuation Day, plus the relevant subscription fee as more fully disclosed in Appendix I.

Unless otherwise provided in Appendix I, subscription prices are payable in the reference currency of the relevant Sub-Fund within 5 Business Days following the applicable Valuation Day. Applications for subscription in other major currencies freely convertible shall be accepted but, in such case, conversion fees will be charged to the subscriber. The Company may seek indemnification for any loss suffered by the Company as a result of the failure of the subscriber to pay the subscription price within the requested timeframe.

Subject to applicable laws and upon approval of the Company, the subscription price may be paid at the request of an investor, in whole or in part, by contributing to the Company securities acceptable to the Company and consistent with the investment policy and restrictions of the relevant Sub-Fund. To the extent required by law or the Board, a special audit report from the approved statutory auditor of the Company confirming the value of any assets contributed in kind will be issued, at the costs of the subscribing shareholder. The Board will only accept payment in kind if (i) specifically requested by the relevant shareholder and (ii) such transfer of assets does not adversely impact the other shareholders.

### **Note to investors on the prevention of money laundering and of financing of terrorism**

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended) as well as circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg

undertaking for collective investment must ascertain the identity of the investors. Accordingly, the Registrar and Transfer Agent may require, pursuant to its risks based approach, investors to provide proof of identity. In any case, the Registrar and Transfer Agent may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

In case of delay or failure by an investor to provide the documents required, the application for subscription may not be accepted and in case of redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Company / Management Company nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the investor providing no or only incomplete documentation.

Shareholders may be, pursuant to the Registrar and Transfer Agent's risks based approach, requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

## **REDEMPTION OF SHARES**

Shareholders shall be entitled, as of any Valuation Day, to request redemption of all or part of their shares by applying in writing to the Company indicating the Sub-Fund, the relevant Class and the number of shares to be repurchased, along with the address to which payment is to be made.

Requests for redemption are irrevocable subject to the provisions of Chapter "Temporary suspension of the calculation of the Net Asset Value and of issues, redemptions and conversions". The redeemed shares will be cancelled by the Company.

Redemption requests must be received by 6 p.m. (Luxembourg time) on the Business Day preceding the applicable Valuation Day.

Unless otherwise provided in Appendix I, the price in respect of each share tendered for redemption will be paid in the reference currency of the relevant Sub-Fund on the basis of the Net Asset Value per share of the relevant Sub-Fund of the applicable Valuation Day, less any redemption fee that may be levied in favour of the relevant Sub-Fund or approved intermediaries, as more fully disclosed in Appendix I.

The percentage of the redemption fee shall be the same for a same Class and for all redemption requests received on the same Valuation Day.

The redemption price is in principle paid within 5 Business Days following the applicable Valuation Day.

The redemption price shall be paid in the currency of the relevant Sub-Fund or any other currency indicated in the redemption request, in which case conversion fees shall be charged to the shareholder.

The Board may decide, at its sole discretion, to satisfy redemption requests in whole or in part, by allocating to the relevant redeeming shareholder investments attributed to the relevant Sub-Fund, in value equal to the Net Asset Value attributable to the shares to be redeemed. To the extent required by law or the Board, a special audit report by the approved statutory auditor of the Company will be issued, at the costs of the redeeming shareholder. The Board will only proceed to redemption in kind if (i) specifically requested by the relevant shareholder and (ii) such transfer of assets does not adversely impact the other shareholders.

Further, if on any Valuation Day redemption requests relate to more than 10% of the shares in issue in respect of a Class or Sub-Fund, the Board may declare that part or all of such requests for redemption or conversions will be deferred on a pro rata basis to the next Valuation Day. These redemption and conversion requests will be met in priority to later requests, subject however to the right of the Company to further defer redemption requests exceeding the aforementioned 10% limit.

### **CONVERSION OF SHARES**

Shareholders are entitled to convert free of charge all or part of their shares for shares of the same Class of another Sub-Fund or shares of another Class of the current Sub-Fund, unless otherwise provided in the Appendix I and subject to compliance with the characteristics of the Class into which the relevant shares are to be converted.

Shareholders applying for conversion of all or part of their shares may make their request at any time in writing to the Company. Applications must include the number of shares the shareholder wishes to convert against shares of the chosen Sub-Fund and the new Class of shares chosen. Conversion requests are irrevocable subject to the provisions of Chapter "Temporary suspension of the calculation of the Net Asset Value and of issues, redemptions and conversions".

Requests for conversion must be received by 6 p.m. (Luxembourg time) on the Business Day preceding the applicable Valuation Day.

Conversions will be made on the basis of the respective Net Asset Value per share of the relevant Classes of shares or Sub-Funds on the applicable Valuation Day.

No conversion of shares may be made during a period where the calculation of Net Asset Value of the relevant Sub-Funds is suspended.

### **TRANSFER OF SHARES**

The transfer of registered shares can normally be done by sending to the Registrar and Transfer Agent an appropriate instrument of transfer. As soon as the request for transfer is received, the Registrar and Transfer Agent may, after due consideration of the endorsement(s), request that the signatures are guaranteed by an approved bank, broker or a notary.



## MANAGEMENT COMPANY

The Board is responsible for the management and control including the determination of investment policy of the Sub-Funds.

Pursuant to a management company agreement dated as of 1 June 2008, the Board has appointed Vector Asset Management S.A. as management company of the Company for an unlimited period. The Management Company will be responsible, on a day-to-day basis and under the supervision of the Board, for the provision of administration, investment management and marketing services in respect of all the Sub-Funds with the possibility to delegate part or all of such functions to third parties.

The Management Company was incorporated as a *société anonyme* on 26 May 2008. The Management Company has been authorised by the CSSF to pursue its object, which consists of exercising the business of a management company under the provisions of Chapter 15 of the Law. The subscribed capital of the Management Company is 300,000 Euros and is fully paid up.

At the date of this prospectus, the Management Company has not been appointed as management company for any other undertakings for collective investment.

At the date of this Prospectus, the composition of the board of directors of the Management Company is as follows:

- Werner Smets, chairman
- Decennium Capital BVBA represented by Thierry Vandeghinste,
- Jan Bonroy,
- Marc Sallet.

Messrs Thierry Vandeghinste, Werner Smets, Eric Grenouillet and Daniel Van Hove are the managers responsible for the day-to-day activities of the Management Company within the meaning of Article 102 of the Law and CSSF Circular 12/546.

The Management Company performs itself the investment management functions for the whole Sub-Funds of the Company but has delegated the central administration functions to Banque Privée Edmond de Rothschild Europe.

For the performance of the day-to-day investment management of one or several Sub-Funds of the Company, the Management Company may obtain, at its own costs, the assistance of one or more investment advisers.

The Management Company will ensure that the Company complies with the investment restrictions and the investment policies described in this Prospectus. The Management Company will itself report on this subject to the Board. The Management Company shall inform each member of the Board without delay of any infringement of the investment restrictions.

The Management Company will monitor on a continued basis, the activities of third parties to which it has delegated functions and will receive periodic reports from these service providers to enable it to perform its monitoring and supervision duties.

The Management Company will be remunerated partly directly by the Company, partly through Vector Conseil S.A. for its functions, as detailed in Chapter "Investment Advisor" below.

#### INVESTMENT ADVISOR

Pursuant to an agreement dated as of 15 July 2003 and amended for the last time on 15 November 2010, the Company has appointed Vector Conseil S.A., 163, rue du Kiem, L-8030 Strassen, Grand Duchy of Luxembourg to advise the Board on the management of the assets of the Sub-Funds NAVIGATOR, FLEXIBLE and TOP MANAGERS MIXED.

Vector Conseil S.A. is a *société anonyme* incorporated in Luxembourg on 2 July 2003. Its capital at incorporation was 75,000 euros and its objective is, among other things, to advise the Company in relation to the management of its assets.

Vector Conseil S.A. will receive the investment management and performance fees detailed in Chapter "Charges and Fees" and paid by the Company and will remunerate the Management Company by mutual agreement between the Investment Advisor and the Management Company.

#### DEPOSITARY BANK

##### Depositary Bank

Banque Privée Edmond de Rothschild Europe has been appointed by the Company, in accordance with a Depositary Bank Agreement dated as of 1 June 2008, as depositary bank of the Company for: (i) the supervision/oversight (*surveillance*) of all assets of the Company, including those that are not entrusted to, or kept in safe custody by, the Depositary Bank, as well as for (ii) the custody/safekeeping (*conservation*) of the assets of the Company that are entrusted to, or kept in safe custody by, the Depositary Bank and the operations concerning the day-to-day administration of such assets.

Banque Privée Edmond de Rothschild Europe is a bank organized as a *société anonyme*, regulated by the Commission de Surveillance du Secteur Financier ("CSSF") and incorporated under the laws of the Grand Duchy of Luxembourg. Its registered office and administrative offices are at 20, Boulevard Emmanuel Servais L-2535 Luxembourg.

The Depositary Bank Agreement between the Company and the Depositary Bank provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon 90 days' written notice.

In consideration of the services rendered, the Depositary Bank receives a fee as detailed in section "Charges and Fees" of this Prospectus.

The Depositary Bank shall assume its functions and responsibilities in accordance with the Law and the Depositary Bank Agreement. Accordingly, the custody / safekeeping of the Company's assets has been entrusted to the Depositary Bank or, in accordance with banking practice on the Depositary Bank's responsibility, to its correspondents. Except for negligence on its part, the Depositary Bank is responsible for the acts of its appointed correspondents only to the extent that it is refunded by them for any damage caused to the Company. The Depositary Bank shall exercise reasonable care in the selection and supervision of its correspondents and shall be responsible for the transfer of instructions to these correspondents. The Depositary Bank will not be liable for losses resulting from the bankruptcy or insolvency of a correspondent if it has not been negligent in its selection and supervision / oversight (surveillance).

Under the supervision of the Depositary Bank and under the responsibility of the Company, the Company may hold assets with third-party custodians or non-financial custodians which are not correspondents of the Depositary Bank ("Third-Party Custodians").

The Depositary Bank will not be liable for the investment decisions concerning the Company nor the consequences of such investment decisions on the Company's performance and the Depositary Bank is not responsible for the monitoring of the compliance of the Company's investments with the rules contained in its Articles and/or its Prospectus.

The Depositary Bank shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained in the Prospectus.

#### **CENTRAL ADMINISTRATION**

By an agreement dated as of 1 June 2008 (the "Central Administration Agreement"), Banque Privée Edmond de Rothschild Europe has been appointed as administrative agent ("Administrative Agent"), paying agent ("Paying Agent"), domiciliary agent ("Domiciliary Agent") and registrar and transfer agent ("Registrar and Transfer Agent") of the Company (collectively, the "Central Administration").

The Central Administration is in charge of processing of the issue, redemption and conversion of the Shares and settlement arrangements thereof, keeping the register of the Company's shareholders, calculating the Net Asset Value per Share, maintaining the records and other general functions as more fully described in the Central Administration Agreement.

The Central Administration will not be liable for the investment decisions concerning the Company nor the consequences of such investment decisions on the Company's performance and the Central Administration is not responsible for the monitoring of the compliance of the Company's investments with the rules contained in its Articles and/or its Prospectus.

The Central Administration Agreement provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon 90 days' written notice.

In consideration of the services rendered, the Central Administration receives a fee as detailed in section "Charges and Fees" of this Prospectus.

The Central Administration shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained in the Prospectus.

#### **MARKET TIMING AND LATE TRADING**

Investors are informed that the Board is entitled to take adequate measures in order to prevent practices known as "market-timing" in relation to investments in the Company. The Board will also ensure that the relevant cut-off time for requests for subscription, redemption and conversion are strictly complied with and will therefore take adequate measures to prevent practices known as "late trading".

The Board is entitled to reject requests for subscription and conversion in the event that it has knowledge or suspicions of the existence of market timing practices. In addition, the Board, the Management Company, the Central Administration or any other intermediary is authorised to take any further measures deemed appropriate to prevent such practices.

#### **NET ASSET VALUE**

The day on which the Net Asset Value of the shares is calculated (the "Valuation Day") by the Administrative Agent is specified for each Sub-Fund in Appendix I to this Prospectus.

Furthermore, at the end of each month, half-year and financial year, the Net Asset Value normally calculated as of the Valuation Day closest to the end of the relevant month, half-year or financial year will be replaced by a Net Asset Value calculated on the last calendar day of the period concerned.

Notwithstanding the valuation principles specified below, the Net Asset Value of the shares of each Sub-Fund at the end of any financial year, half-year or month will be calculated on the basis of the last available price at the end of the relevant financial year, half-year or month in question.

The Net Asset Value of shares of each Sub-Fund or Class in the Company shall be expressed as a per share figure in such currency as the Board shall from time to time determine in respect of such Sub-Fund or Class and shall be determined in respect of any Valuation Day by dividing the net assets of the Company corresponding to each Sub-Fund or Class by the number of shares of the relevant Sub-Fund or Class then outstanding and shall be rounded up or down to two decimal places.

The valuation of the net assets of the different Sub-Funds or Classes shall be made in the following manner:

- (i) the assets of the Company shall be deemed to include:
  - (a) all cash on hand or on deposit, including any interest expired but not delivered and any interest accrued thereon until the Valuation Day;

- (b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
- (c) all bonds, time notes, shares, stock, debenture stocks, subscription rights, warrants, options and other investments and securities owned or contracted for by the Company;
- (d) all known dividends and distributions receivable by the Company in cash or in kind;
- (e) all interest expired but not delivered and interest accrued on any securities owned by the Company except to the extent that the same is included or reflected in the principal amount of such security;
- (f) the preliminary expenses of the Company insofar as the same have not been written off; and
- (g) all other assets of every kind and nature, including prepaid expenses.

The value of such assets shall be determined as follows:

1. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses and dividends and interest declared or accrued but not yet received, shall be deemed to be the face value unless it appears unlikely that this value will be received; in this case the value shall be determined by deducting an amount that the Board considers adequate in order to reflect the true value of these assets;
2. The valuation of any transferable security and/or money market instrument admitted to trading on an official stock exchange or on any other Regulated Market that operates regularly, is recognised and open to the public, shall be based on the last available price in Luxembourg on the Valuation Day and, if this transferable security or instrument is traded on several markets, on the basis of the last available price of the principal market of this transferable security or instrument; if the last available price is not representative, the valuation shall be based on the probable realisation value estimated by the Board with prudence and in good faith;
3. Futures and options shall be valued on the basis of the previous day's closing price on the relevant market. The prices used shall be the liquidation prices on futures markets;
4. Non-listed transferable securities or those not traded on a stock exchange or on any other Regulated Market operating regularly, recognised and open to the public shall be valued on the basis of the probable realisation value estimated by the Board with prudence and in good faith;
5. Units of undertakings for collective investment shall be valued on the basis of their last available net asset value;

6. Swaps shall be valued at fair value based on the last known closing price of the underlying value;
7. Money-market instruments which are not listed on a stock market or traded on another Regulated Market, operating regularly, recognised and open to the public shall be valued in accordance with market practices;
8. Financial derivative instruments which are not listed on an official stock exchange or traded on any other Regulated Market shall be valued in accordance with market practices;
9. Values expressed in a currency other than the reference currency of the Sub-Fund shall be converted on the basis of the average exchange rate of the currency concerned.

The Board is authorised to apply other appropriate valuation principles for the assets of the Company if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

(ii) The liabilities of the Company shall be deemed to include:

1. all loans, bills and accounts payable;
2. all known liabilities, present and future, including all matured contractual liabilities concerning payments in cash or in kind (including the amount of dividends declared by the Company but not yet paid);
3. all reserves, authorised and approved by the Board, particularly those which had been created to cover a potential capital loss on certain of the Company's investments;
4. any other commitment of the Company, of any nature whatsoever, except for those represented by the Company's own resources. In order to assess the amount of these other liabilities, the Company will take into account all expenses to be borne by it including, without limitation, the costs of drawing up and subsequent amendments to the Articles, the costs and expenses payable to various service providers such as the Management Company, Investment Adviser, managers (if any), distributors and nominees, Depository Bank, corresponding agents, Administrative Agent, Registrar and Transfer Agent, Paying Agent and other agents and employees of the Company, as well as permanent representatives of the Company in the countries of registration, fees for legal and auditing services, promotional expenses, costs of printing and publishing shares sales documents, costs of printing annual and interim reports, costs of holding shareholders and Board meetings, the reasonable travel expenses of the directors and officers including their insurance premiums, attendance fees, registration statement costs, all taxes and duties levied by government authorities and stock exchanges, costs of publishing the issue, redemption and conversion price as well as all other operating

expenses including financial, banking or brokerage charges incurred on the purchase or sale of assets or otherwise and all other administrative expenses;

In determining the amount of these liabilities, the Company will take into account, on a pro rata basis, administrative and other expenses of a regular or recurring nature.

- (iii) The Board shall establish a pool of assets for each Sub-Fund in the following manner:
- (a) the proceeds from the issue of each Sub-Fund shall be applied in the books of the Company to the pool of assets established for that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such pool subject to the provisions of the Articles;
  - (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same pool as the assets from which it was derived and on each revaluation of an asset, the increase or diminution in value shall be applied to the relevant pool;
  - (c) where the Company incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability shall be allocated to the relevant pool;
  - (d) in the case where any asset or liability of the Company cannot be considered as being attributable to a particular pool, such asset or liability shall be allocated to all the pools *pro rata* to the Net Asset Value of the relevant Sub-Fund, it being understood that any non-material amount can be allocated to all the pools in equal parts;
  - (e) upon the payment or the occurrence of the record date, if determined, for payment of dividends to the holders of any Sub-Fund, the Net Asset Value of such Sub-Fund, shall be reduced by the amount of such dividends; and
  - (f) effect shall be given on any Valuation Day to any purchases or sales of securities contracted for by the Company prior to the cut off set by the Administrative Agent for such purchases and trades on such Valuation Day, to the extent practicable.

Pursuant to the Articles, the assets and liabilities of each Sub-Fund are segregated. The Company operates as an undertaking for collective investment with multiple Sub-Funds, which means that the Company is made up of several Sub-Funds, each representing a specific group of assets and liabilities and following a specific investment policy. Each Sub-Fund will be treated as a separate entity generating its own assets, liabilities, charges and fees. The rights of the shareholders and creditors relating to a Sub-Fund or arisen in connection with the set-up, the operation or the liquidation of a Sub-Fund are limited to the assets of this Sub-Fund. The assets of a specific Sub-Fund are exclusively available to satisfy the rights of investors in connection with this Sub-Fund and the rights of creditors whose claims have arisen in connection with the set-up, the operation or the liquidation of this Sub-Fund.

- (iv) For the purpose of paragraphs (ii) and (iii) and this paragraph (iv): (a) shares in respect of which subscriptions have been accepted but payment has not yet been received shall be deemed to be existing; (b) shares to be redeemed shall be treated as existing and taken into account until immediately after the close of business on the applicable Valuation Day, and from such time and until payment of the price, these shares shall be deemed to be a liability of the Company; (c) all investments, cash balances and other assets of the Company not expressed in the currency in which the Net Asset Value of the relevant Sub-Fund or Class (as applicable) is denominated shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the Net Asset Value of such shares.

For the purpose of determining the value of the Company's assets, the Administrative Agent, having due regards to the standard of care and diligence in this respect, may exclusively, when calculating the Net Asset Value, rely upon the valuations provided (i) by the Board and/or the Management Company, (ii) by various pricing sources available on the market such as pricing agencies (e.g., Bloomberg or Reuters) or administrators or investment managers of target UCI, (iii) by prime brokers and brokers or (iv) by specialist(s) duly authorised to that effect by the Board and/or the Management Company.

In such circumstances, the Administrative Agent shall not, in the absence of manifest error on its part, be responsible for any loss suffered by the Company or any shareholder by reason of any error in the calculation of the Net Asset Value and the Net Asset Value per Share resulting from any inaccuracy in the information provided by the professional pricing sources, by the Board and/or the Management Company, by investment managers or administrative agents of target UCIs, by prime brokers and brokers or by specialist(s) duly authorised to that effect by the Board and/or the Management Company.

In circumstances where one or more pricing sources fails to provide valuations to the Administrative Agent preventing the latter to determine the subscription and redemption prices, the Administrative Agent shall inform the Board and/or the Management Company thereof and the Administrative Agent shall obtain from it/them authorized instructions in order to enable it to finalize the computation of the Net Asset Value and the Net Asset Value per Share. The Board and/or the Management Company may decide to suspend the Net Asset Value calculation, in accordance with the relevant provisions in the Prospectus and the Articles. In such circumstances, the Administrative Agent shall not, in the absence of manifest error on its part, be responsible for any loss suffered by the Company or any shareholder. The Board and/or the Management Company shall be responsible for notifying the suspension of the Net Asset Value calculation to the shareholders, if required, or for instructing the Administrative Agent to do so. If the Board and/or the Management Company do(es) not decide to suspend the Net Asset Value calculation in a timely manner, the Board and/or the Management Company shall be liable for all the consequences of a delay in the Net Asset Value calculation, and the Administrative Agent may inform the relevant authorities and the Company's auditor in due course.

With respect to the protection of investors in case of net asset value calculation error and the correction of the consequences resulting from non-compliance with the investment rules applicable to the Company, the principles and rules set out in CSSF circular 02/77 of 27 November 2002, as amended from time to time, shall be applicable. As a result, the liability of the Administrative Agent in the context of the net asset value calculation process shall be limited to the tolerance thresholds applicable to the Company set out in CSSF circular 02/77, as amended from time to time.



Information regarding the Net Asset Value per share, the issue price and the redemption price will be available at the registered offices of the Company or the Administrative Agent and at the office of the distribution agent in those countries where the Company is registered for public sale and will be published regularly as more fully described in Appendix I.

**TEMPORARY SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND OF ISSUES,  
REDEMPTIONS AND CONVERSIONS**

The Company may suspend (i) the calculation of the Net Asset Value, (ii) the right of any shareholder to request the issue, redemption and conversion of any share in any Sub-Fund of the Company as well as (iii) any payment of a redemption for which the Net Asset Value has already been determined but for which the redemption price has not been paid yet:

- (a) during any period when any of the principal stock exchanges or Regulated Markets on which any substantial portion of the investments of the Company attributable to the relevant Sub-Fund from time to time are quoted or dealt on is closed, or during which dealings therein are restricted or suspended; or
- (b) during the existence of any political, economical, military, monetary, social situation or any event of *force majeure* as a result of which disposal or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable by reasonable and normal means, without seriously prejudicing the interests of shareholders; or
- (c) during any period when there is a breakdown in the means of communication normally employed in determining the price or value of a substantial part of the investments attributable to any particular Sub-Fund preventing the correct calculation of net assets within the normal time limits; or
- (d) when currency or capital movement restrictions prevent the exercise of transactions on the Company's behalf or when purchases and sales of the Company's assets cannot be carried out at normal exchange rates;
- (e) on a decision of the Board, and provided that the principle of equal treatment between shareholders and the applicable laws and regulations are complied with (i) upon the convening of a general meeting of shareholders for the purpose of resolving on the winding-up of the Company or of a Sub-Fund or (ii) in the case where the Board has the power to resolve on the liquidation of a Sub-Fund, as soon as the Board has decided to liquidate a Sub-Fund; and
- (f) in exceptional circumstances that might negatively affect the interests of shareholders, or if in the event of massive redemption requests as described in the chapter "Redemption of Shares", the Board reserves the right to determine the value of shares in the relevant Sub-Fund only after having effected the necessary sales of transferable securities.

During any suspension of the calculation of the Net Asset Value, requests for subscription, redemption or conversion of shares may be revoked provided such request reach the Company prior

to the lifting of the suspension period. Failing revocation, the issue, redemption or conversion price shall be based on the Net Asset Value calculated on the first Valuation Day after the expiry of the suspension period.

Notice of any such suspension and termination thereof will be given to any shareholder applying for subscription or tendering his shares for redemption or conversion.

## TAXATION

**Potential investors should inform themselves as to any taxation or exchange control legislation affecting them personally. Investors should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring or selling shares under the laws of their countries of citizenship, residence or domicile.**

### EUROPEAN UNION TAX CONSIDERATIONS

*EU Tax Considerations for individuals resident in the EU or in certain third countries or dependent or associated territories.*

The Council of the EU has adopted on 3 June 2003 Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Savings Directive"). Under the Savings Directive, EU Member States will be required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income paid by a paying agent (as defined by the Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. The Luxembourg government has announced on 10 April 2013 its intention to elect out of the withholding system in favour of automatic exchange of information with effect from 1 January 2015. The necessary amending laws and regulations will need to be passed before that date. Switzerland, Monaco, Liechtenstein, Andorra and San Marino, the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

The Savings Directive has been implemented in Luxembourg by a law dated 21 June 2005 (the "EUSD Law").

Dividends distributed by a Sub-Fund of the Company will be subject to the Savings Directive and the EUSD Law if more than 15% of such Sub-Fund's assets are invested in debt claims (as defined in the EUSD Law) and proceeds realised by shareholders on the redemption or sale of shares in a Sub-Fund will be subject to the Savings Directive and the EUSD Law if more than 25% of such Sub-Fund's assets are invested in debt claims (such Sub-Funds, hereafter "Affected Sub-Funds").

The applicable withholding tax is a rate of 35%.

Consequently, if in relation to an Affected Sub-Fund a Luxembourg paying agent makes a payment of dividends or redemption proceeds directly to a shareholder who is an individual resident or deemed resident for tax purposes in another EU Member State or certain of the above mentioned dependent

or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated above.

No withholding tax will be withheld by the Luxembourg paying agent if the relevant individual either (i) has expressly authorised the paying agent to report information to the tax authorities in accordance with the provisions of the EUSD Law or (ii) has provided the paying agent with a certificate drawn up in the format required by the EUSD Law by the competent authorities of his State of residence for tax purposes.

The Company reserves the right to reject any application for shares if the information provided by any prospective investor does not meet the standards required by the EUSD Law as a result of the Savings Directive.

***The foregoing is only a summary of the implications of the Savings Directive and the EUSD Law based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the Saving Directives and the EUSD Law.***

## **LUXEMBOURG**

### *1. The Company*

Under current law and practice, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax. However, the Company is liable in Luxembourg to a subscription tax ("taxe d'abonnement") of 0.05 per cent per annum of its net assets, such tax being payable quarterly and calculated on the total net assets of the Company at the end of the relevant quarter. The rate of the annual subscription tax is reduced to 0.01 per cent per annum in respect of Classes of shares which are only sold to and held by Institutional Investors. No stamp duty or other tax is payable in Luxembourg on the issue of shares in the Company except a fixed registration duty on capital of EUR 75 at the time of its incorporation and any subsequent modification of the Articles.

Under current law and practice, no other tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Company.

Dividends and interest, if any, received by the Company from investments may be liable to withholding taxes in the State of source at varying rates, which normally cannot be recovered.

### *2. Shareholders*

Shareholders who are not domiciled, resident or who do not have a permanent establishment in Luxembourg for taxation purposes are not liable to any income, withholding, transfer, capital gains, estate, inheritance or other taxes on holding, transferring, purchasing or repurchasing of Shares in the Company or on any dividends, distributions or other payments made to such Shareholders.

## **US FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")**

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of these is that details of US investors holding assets outside the US will be reported by financial institutions to the IRS, as a safeguard against US tax evasion. As a result of the Hire Act, and to discourage non-US financial institutions from staying outside this regime, a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income on US and non US investments. This regime will become effective in phases between 1 July 2013 and 1 January 2017. The basic terms of the Hire Act currently appear to include the Company as a "Financial Institution", such that in order to comply, the Company may require all shareholders to provide mandatory documentary evidence of their tax residence. However, the Hire Act grants the US Treasury Secretary extensive powers to relax or waive the requirements where an institution is deemed to pose a low risk of being used for the purposes of US tax evasion. The detailed regulations that define how widely those powers will in fact be exercised have not yet been finalized, and accordingly the Company cannot at this time accurately assess the extent of the requirements that FATCA may place upon it.

Shareholders, and intermediaries acting for prospective shareholders, should therefore take particular note that it is the existing policy of the Company that US Persons may not invest in the Company, and that investors who become US Persons are liable to compulsory redemption of their holdings. Further, under the FATCA legislation, the definition of a US reportable account will include a wider range of investors than the current US Person definition. The Board may therefore resolve, once further clarity about the implementation and impact of FATCA becomes available, that it is the interests of the Company to widen the class of investors prohibited from further investing in the Company and to make proposals regarding existing investor holdings that fall within the wider FATCA definition.

In order to protect its shareholders from the effect of any penalty withholding, it is the intention of the Company to be compliant with the requirements of the FATCA regime.

In cases where investors invest in the Company through an intermediary, investors are reminded to check whether such intermediary is FATCA compliant. If you are in any doubt, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

**Investors should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring or selling shares under the laws of their countries of citizenship, residence or domicile.**

## **GENERAL MEETINGS**

The annual general meeting of shareholders of the Company is held at the registered office of the Company in Luxembourg or at such other place as may be indicated in the convening notice on the second Tuesday in April of each year, or, if such day is not a Business Day in Luxembourg, on the next following Business Day.

If permitted by and on the conditions set forth in Luxembourg laws and regulations, the annual general meeting of shareholders may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board.

Other general meetings of shareholders may be held at times and places specified in the convening notices.

Furthermore, the shareholders of each Sub-Fund shall be convened in a separate general meeting in order to resolve, according to the conditions of quorum and majority as laid down by the law, on any amendment to the Articles that affects their rights as opposed to those of shareholders of other Sub-Funds.

Notices of all general meetings will be sent to each shareholder at least eight days prior to the meeting. Such notice will set forth the agenda and specify the time and place of the meeting and will specify the requirements as to attendance, quorum and majorities which shall be those laid down in Articles 67 and 67 (1) of the Law of 1915.

In addition, notices will be published in the Mémorial and in a Luxembourg newspaper to the extent required by Luxembourg laws.

The notice of any general meeting of shareholders may also provide that the quorum and the majority of such general meeting shall be determined by reference to the shares issued and outstanding at midnight on the fifth day preceding the day on which such meeting of shareholders will be held (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his/its/her shares shall be determined by reference to the shares held by this shareholder as at the Record Date.

#### **DIVIDEND POLICY**

The annual general meeting of shareholders may, upon proposal of the Board, resolve on the portion of the investment income to be allocated to each Sub-Fund, and within each Sub-Fund on the allocation of investment income between capitalisation shares (the "Capitalisation Shares"), distribution shares (the "Distribution Shares") and the mixed distribution shares (the "Mixed Distribution Shares") pro rata to the corresponding assets.

The portion of investment income allocated to Capitalisation Shares shall be reinvested in the Company and shall thus increase the Net Asset Value relating to the Capitalisation Shares. With respect to the investment income allocated to Distribution Shares, the distributable amount for each Sub-Fund may consist of interests, dividends, realised or unrealised capital gains and other realised income after deduction of costs, realised or unrealised capital losses as well as the capital of such Sub-Fund, within the limits set forth by Article 27 of the Law.

Dividends may be paid to Mixed Distribution Shares corresponding to all or part of the net investment income allocated to these shares (excluding capital or capital gains, unless otherwise decided by the Board in exceptional circumstances).

Any resolution taken during an annual general meeting of shareholders and deciding on the distribution in any Sub-Fund shall be preceded by a majority vote of the shareholders of the Class concerned.

With respect to Distribution Shares and Mixed Distribution Shares, any dividend declared but not claimed within five years after its allocation shall be forfeited to the Sub-Fund concerned.

No interest shall be paid on a dividend declared by the Company and held by the Company on behalf of the shareholders entitled thereto.

The Board may decide on the payment of interim dividends in compliance with legal requirements.

## **CHARGES AND FEES**

The Management Company, the Investment Advisor, the Depositary Bank, the Administrative Agent, the Domiciliary Agent, the Paying Agent, the Registrar and Transfer Agent are entitled to the fees and other remuneration described below:

### **FEES PAYABLE TO THE MANAGEMENT COMPANY**

The Management Company will be entitled to a management company fee payable quarterly by the Company at a rate set out for each Sub-Fund in Appendix I .

The Management Company may also be entitled to a performance fee. Details of such performance fee (if applicable) are set out in Appendix I.

The fees payable to the Management Company will be paid partly directly by the Company, partly out of the fee received by the Investment Advisor.

### **FEES PAYABLE TO THE INVESTMENT ADVISOR**

The Investment Advisor will be entitled to an investment advisory fee payable quarterly by the Company at a rate set out for each Sub-Fund in Appendix I.

### **DEPOSITARY BANK AND CENTRAL ADMINISTRATION FEE**

Banque Privée Edmond de Rothschild Europe is entitled to charge the Company a commission of a maximum of 0.14% of the average Net Asset Value of each Sub-Fund per quarter with a minimum of EUR 70.000 for acting as Administrative Agent, Domiciliary Agent, Registrar and Transfer Agent, Depositary Bank and Paying Agent of the Company.

### **DIRECTORS**

Each director may receive a fee to be determined by the annual general meeting of shareholders. In addition, directors may be reimbursed for any other expenses they incur in fulfilling their duties to the Company, to the extent that these expenses are deemed reasonable.

## **GENERAL**

The Company bears all its operating expenses, brokerage fees, taxes, contributions and expenses incurred by the Company, as well as registration fees and expenses payable to the competent authorities and the Luxembourg Stock Exchange.

Expenses incurred in connection with the setting-up of the Company - including expenses incurred in preparing and printing this Prospectus and the KIIDs, preparation and printing of share certificates, if applicable, and admission to official listing of shares on the Luxembourg Stock Exchange, if applicable, - are borne by the Company and have been amortized over the first five financial years on a straight line basis.

Expenses incurred in connection with the setting-up of additional Sub-Funds will be amortized over a period of five financial years as from the launch of the relevant Sub-Fund.

### **FINANCIAL YEAR**

The financial year of the Company starts on 1<sup>st</sup> January each year and ends on 31<sup>st</sup> December of the same year.

### **RISK FACTORS**

The investments of each Sub-Fund are subject to normal market fluctuations and other risks inherent in investing in securities and there can be no assurance that capital appreciation or distribution payments will occur.

The value of investments and income from them, and therefore the value of the shares of each Sub-Fund, can and do go down as well as up and an investor may not get back the amount invested. Changes in exchange rates between currencies may also cause the value of the investment to diminish or increase. An investor who realises his investment in the Company after a short period may not realise the amount originally invested in view of the initial charges made on the issue of shares. The descriptions below summarise certain risks. They are not exhaustive, and under no circumstances do they constitute advice on the suitability of investments.

#### **Investment in Equity Securities**

Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher, because the performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security value may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity

securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

### **Investments in Equity Related Securities**

In accordance with the investment restrictions of the Company, certain Sub-Funds may invest in equity related securities, including but not limited to financial derivative instruments, options, swaps, futures and forward contracts, warrants, convertible bonds and preference shares. Equity related securities may not be listed and are subject to the terms and conditions imposed by their issuers. There may be no active market in equity related securities and therefore investments in equity related securities can be illiquid. In order to meet realisation requests, the Company relies upon the issuers of the equity related securities to quote a price to unwind any part of the equity related securities that will reflect the market liquidity conditions and the size of the transaction. There is a risk that the issuers of equity related securities will not settle a transaction due to a credit or liquidity problem and the relevant Sub-Funds may suffer a loss (including a total loss). Investments in equity related securities do not entitle the investors to the beneficial interest in the underlying securities nor to make any claim against the company issuing the securities. Fluctuations in the exchange rate between the denomination currency of the underlying shares and the equity related securities will affect the value of the equity related securities, the redemption amount and the distribution amount on the equity related securities.

### **Foreign exchange risk**

The conversion into a foreign currency or the transfer of proceeds from the sale of transferable securities from certain markets cannot be guaranteed.

The value of a currency in relation to other currencies on certain markets can fall, thus affecting the value of the investment.

Moreover, fluctuations in exchange rates can occur between the date of negotiation of a transaction and the date on which the foreign currency is obtained to honour payment obligations.

### **Tax**

Investors will in particular acknowledge the fact that proceeds from the sale of securities in certain markets or the receipt of dividends or other income can or will be subject to the payment of a tax, duties or other costs or charges imposed by market authorities, including a withholding tax. Tax legislation and traditional taxation in force in certain countries in which a Sub-Fund invests or is likely to invest in the future (in particular emerging markets) are not clearly established. As a result, it is possible that the current interpretation of the law or the understanding of taxes may change or the law amended retrospectively. Therefore, the Company is in such countries subject to additional taxation in existence at the date of publication of the Prospectus or when the investments are carried out or evaluated.



### **Potential Conflicts of Interest**

The Management Company and the relevant persons (meaning, in relation to the Management Company any of the following: a) a director, partner or equivalent, or manager of the Management Company, b) an employee of the Management Company, as well as any other natural person whose services are placed at the disposal and under the control of the Management Company and who is involved in the provision by the Management Company of collective portfolio management, c) a natural person who is directly involved in the provision of services to the Management Company under a delegation arrangement to third parties for the purpose of the provision by the Management Company of collective portfolio management) may from time to time act as investment manager or adviser or as management company to other investment funds and may act in other capacities in respect of such other investment funds.

It is therefore possible that the Management Company has, in connection with its activities, potential conflicts of interest with the Company. The Board and the Management Company, as the case may be, shall take the necessary measures to ensure that such conflicts of interest are fairly resolved and in the best interest of the Company.

The Company may also invest in investment funds that are managed by the Management Company or some of its affiliates. Similarly, the directors of the Management Company may also be directors of the Company and of other investment funds, the interest of which could conflict with the interest of the Company. In the event of a conflict between the interest of the Company and the interest of the affiliated companies of the Management Company, the directors of the Management Company shall take the necessary measures to resolve this in the best interest of the Company.

More specifically, the Management Company, under the rules of conduct applicable to it, must try to avoid conflicts of interests and, where they cannot be avoided, ensure that their clients (including the Company) are fairly treated.

The Management Company will adopt and implement policies for the prevention of conflict of interests as foreseen by applicable rules and regulations.

### **Possible Effect of Substantial Redemptions**

If a substantial number of shares are redeemed at one time, the Company may have to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund those redemptions. The Company may find it difficult to liquidate its positions on favourable terms. This could result in losses or a decrease in the Net Asset Value of the Company.

### **Cross Class Liability**

There is a risk that the assets attributable to one Class may be applied to meet any claims by the Company's creditors of other Classes within the same Sub-Fund if the liabilities of another Class within the relevant Sub-Fund exceed the assets of that other Class. Thus the assets of a solvent Class may be at risk with respect to, and may be used to satisfy the liabilities of, an insolvent Class within the same Sub-Fund.

## **Emerging countries and developing markets**

The emerging markets in which certain Sub-Funds may invest only have a legal, judicial and regulatory framework that is under construction and great legal insecurity persists for local market operators and their foreign counterparts. Certain markets carry within them considerable risks for investors, who as a result should ensure that they are aware of these risks before investing and that the investment contemplated is in fact suitable for them.

Such risks may include (i) increased risk of nationalisation, expropriation of assets, forced mergers of companies, creation of government monopolies, confiscatory taxation or price controls; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity, low trading volumes and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for any major currency and/or restriction on the buying or selling by foreign investors; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in accounting, auditing and financial reporting standards, methods, practices and disclosures which may result in the unavailability or incompleteness or tardiness of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

## **DISSOLUTION AND LIQUIDATION OF THE COMPANY**

The duration of the Company is unlimited and dissolution of the Company is decided upon by an extraordinary shareholders' meeting in the conditions required by law to amend the Articles.

If the capital of the Company falls below two thirds of the minimum capital, the Board must submit the question of the dissolution of the Company to a general meeting for which no quorum shall be prescribed and at which decisions shall be taken by a simple majority of the shares represented at the meeting. If the capital of the Company falls below one quarter of the minimum capital, the Board must submit the question of the dissolution of the Company to a general meeting for which no quorum shall be prescribed and the dissolution may be resolved by shareholders holding one quarter of the shares represented at the meeting.

The general meeting shall be convened so that it is held within a period of forty days from the time at which the loss was ascertained by the Board.

In the event of dissolution of the Company, liquidation shall be carried out by one or several liquidators named by the meeting of shareholders deciding such dissolution and which shall determine their powers and their remuneration. The net proceeds of liquidation corresponding to each Class of shares shall be distributed by the liquidators to the holders of shares of each Class in proportion to their holding of shares of such Class.

The amounts not claimed by the shareholders at the time of closure of the liquidation will be deposited with the *Caisse de Consignation* in Luxembourg where they will be available to them for the period established by law. At the end of such period unclaimed amounts will return to the Luxembourg State.

## LIQUIDATION, MERGER AND CONSOLIDATION /SPLIT OF SUB-FUNDS OR CLASSES

### 1. Liquidation of Sub-Funds or Classes

A general meeting of shareholders of a Sub-Fund may decide to cancel shares in a given Sub-Fund and refund shareholders for the value of their shares. This general meeting will deliberate without any quorum requirement and the decision will be taken by a majority of the votes cast. As soon as the decision to wind up a Sub-Fund is taken, the issue, redemption or conversion of shares in this Sub-Fund is prohibited and shall be deemed void.

If the net assets of a Sub-Fund or a Class fall below the equivalent of 5 million euros or if, in the opinion of the Board, significant changes in the political or economic situation render this decision necessary, in order to proceed to an economic rationalisation or if the interests of the shareholders of a Sub-Fund or a Class of shares so require, the Board may decide on a forced redemption of the remaining shares in the Sub-Fund or Class of shares concerned without any approval of the shareholders being necessary. In this case, a notice relating to the closing of the Sub-Fund or the Class of shares will be sent to all the shareholders of this Sub-Fund or Class of shares. Unless the Board otherwise decide in the interest of shareholders or to ensure the equal treatment of shareholders, the shareholders of the relevant Sub-Fund may continue to request the redemption or conversion of their shares free of charge until the effective date of the liquidation, knowing however that the redemption or conversion price will include the liquidation costs.

The amounts not claimed by the shareholders at the Depository Bank at the time of the closure of the liquidation will be deposited at the *Caisse de Consignation* in Luxembourg where they will be available to them for the period established by law. At the end of such period unclaimed amounts will reverse to the Luxembourg State.

### 2. Merger of Sub-Funds

In the same circumstances as provided above for the liquidation of Sub-Funds, any merger of a Sub-Fund with another Sub-Fund of the Company or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board unless the Board decides to submit the decision for the merger to the meeting of shareholders of the Sub-Fund concerned. In the other circumstances, the general meeting of shareholders may decide to contribute the assets and liabilities of a Sub-Fund to another UCITS in exchange for shares of that UCITS. No quorum is required for this meeting and the decision for the merger is taken by a simple majority of the votes cast. In the case of a merger of one or more Sub-Fund(s) where, as a result, the Company ceases to exist, the merger shall, notwithstanding the foregoing, be decided by a meeting of shareholders for which the quorum and majority required for the amendments of the Articles shall apply. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (relating in particular to the notification to the shareholders concerned) shall apply.

## SHAREHOLDER INFORMATION

The latest price for each Class of shares can be obtained at the registered office of the Company on each Valuation Day. Such prices may also be published in such other newspaper(s) as the Board may from time to time determine.

Audited reports in respect of the preceding financial year and unaudited semi-annual reports of the Company will be made available at the registered office of the Company in Luxembourg. The audited reports and semi-annual reports will provide information on each Sub-Fund and, on a consolidated basis, the Company as a whole.

The aforesaid reports will comprise consolidated accounts of the Company expressed in Euro as well as individual information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

At the end of each half-year, the Company will publish a semi-annual report including, inter alia, the composition of the portfolio, the movements in the portfolio over the period, the number of shares in circulation and the number of shares issued and redeemed since the last publication.

The following documents may be consulted at the registered office of the Company, 20, boulevard Emmanuel Servais, L-2535 Luxembourg:

- i) the agreement between the Company and the Management Company;
- ii) the agreement between the Company and the Depositary Bank;
- iii) the agreement between the Company, the Management Company and the Domiciliary Agent, Administrative Agent, Paying Agent and Registrar and Transfer Agent;
- iv) the agreement between the Company and the Investment Advisor;

The following documents are also available, free of charge, and copy thereof may be obtained at the registered office of the Company:

- i) the Articles;
- ii) the annual and semi-annual reports of the Company;
- iii) the Prospectus; and
- iv) the KIIDs.

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation to the investment management and administration of the Company.

**Queries and Complaints**

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Management Company.

## I. VECTOR - NAVIGATOR

### 1. Name of the Sub-Fund

Vector – Navigator

### 2. Investment Objective and Policy

The Sub-Fund is a global equity fund that is actively managed on the basis of a set of mathematical valuation models belonging to the Investment Advisor. Throughout a full business cycle, the Sub-Fund aims to maximise its alpha while targeting a beta of close to 1 with the global equity markets (in euro). In order to achieve this, the Management Company systematically screens global equity markets in search of undervalued stocks, by assessing over 2500 companies on a quantitative basis on their growth, risk and valuation properties.

Out of this vast universe, a portfolio of at least 50 companies is constructed, based on their chances of outperforming their peers in the months following their selection. The Sub-Fund always aims for a well-balanced diversification of its equity holdings over different sectors and regions (developed as well as emerging), without however subjecting to formal limits, apart from the investment restrictions contained in the main part of the Prospectus.

The Sub-Fund may hold cash on an ancillary basis and invest up to 10% of its net assets in units or shares of UCITS. It may also use futures and other derivatives to hedge its currency and market exposure.

### 3. Sub-Fund's Risk Profile

Investments into the Sub-Fund are subject to market fluctuations and to the risks inherent in investments in transferable securities and money market instruments. The value of an investment may be affected by fluctuations in interest rates, or the currency of the country where the investment has been made, or by exchange control regulations, application of tax laws in various countries, including withholding taxes, changes in government or economic or monetary policy in the countries concerned. In particular, stock markets as well as individual shares can be volatile; the price can vary substantially in a very short time. The risk could affect the value of the Sub-Fund which could vary in a similar way to the value of the shares it holds. Consequently, no assurance can be given that the investment objectives will be achieved.

The attention of subscribers is drawn to the fact that the investment in issuers situated in emerging countries is not omitted from the investment policy of this Sub-Fund. The political and economic situation of emerging countries presents a higher investment risk which may be reflected in the performance of the Company's Sub-Funds. This risk may be associated with, for example, restrictions on repatriation of capital, market volatility or illiquidity of investments, according to the market conditions of the emerging countries concerned.

In addition, some emerging countries' markets do not, at this stage, offer the same quality, maturity and thus safety as the major international markets in developed countries. It follows that the securities transactions and their safekeeping may be less reliable.

#### 4. Risk measurement approach

The global exposure of the Sub-Fund is calculated using the commitment approach.

#### 5. Profile of the Typical Investor

The Sub-Fund is suitable for investors who favour long-term performance and who accept, if applicable, a medium-term decline in the net asset value of their portfolio.

The minimum recommended investment horizon is seven years.

Investors should seek the advice of their financial and/or tax consultant in order to obtain an opinion on the consequences of subscribing to shares in the Sub-Fund.

#### 6. Reference Currency

The reference currency of the Sub-Fund is the Euro.

#### 7. Share Classes

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*	Restrictions	Performance fee benchmark
C1	Max. 1.5%	Max. 20%	Max. 1%	Max. 0.25% for the class		MSCI World index in Euro (Bloomberg code MXWO)
C2	Max. 1.5%	Max. 20%	Max. 3%	Max. 0.25% for the class	Restricted to certain distributors	MSCI World index in Euro (Bloomberg code MXWO)
C3	Max. 1.5%	Max. 20%	Max. 3%	Max. 0.25% for the class	Restricted to certain distributors	MSCI World index in Euro (Bloomberg code MXWO)
C4****	Max. 1.5%	Max. 20%	Max. 2%	Max. 0.25% for the class	Restricted to certain distributors	MSCI World index in Euro (Bloomberg code MXWO)
F	Max. 1.5%	Max. 20%	0%	0%	Restricted to certain categories of investors approved by the Board	MSCI World All Countries index in Euro (Bloomberg code MDWD)
P	Max. 1.5%	Max. 20%	Max. 1%	Max. 0.25% for the class	Restricted to certain distributors	MSCI World All Countries index in Euro (Bloomberg code MDWD)
I1	Max 0.75%	Max. 20%	Max. 0.75%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 5 Million EUR)	MSCI World All Countries index in Euro (Bloomberg code MDWD)
I2	Max 0.75%	Max. 20%	Max. 1%	0%	Restricted to certain categories of large investors approved by the Board	MSCI World All Countries index in Euro (Bloomberg code MDWD)
S	Max. 2.0%	Max. 20%	Max. 3%	Max. 0.25% for the class	Restricted to certain distributors	MSCI World All Countries index in Euro (Bloomberg code MDWD)

\* calculated as a percentage of the Net Asset Value of the shares subscribed/redeemed.

\*\* calculated as an average percentage of the Net Asset Value per quarter of the Sub-Fund and payable quarterly. The Management and Advisory Fee will be paid by the Sub-Fund to the Investment Advisor, which will, in turn, allocate part of this fee to the Management Company.

\*\*\* Please refer to section 10. "Performance Fee" below for more details on the calculation of the relevant performance fee.

\*\*\*\* Class not yet launched.

The commission of the Depositary Bank and the Central Administration is maximum 0.14% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly. The commission of the Management Company is maximum 0.15% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly by the Sub-Fund.

## **8. Frequency of Calculation of the Net Asset Value**

Daily, on each Business Day (a "Valuation Day").

Please also refer to the provisions of section "Net Asset Value" in the main part of the Prospectus for more information on alternative Valuation Days.

## **9. Dividends**

All shares of this Sub-Fund are Capitalisation Shares and will not distribute any dividend.

## **10. Performance Fee**

The performance fee per share for each Class, determined on each Valuation Day, is equal to 20% of the out-performance of the Class in question in relation to a benchmark index (the last Bloomberg price on each Valuation Day; see table under point 7 in column Performance fee benchmark).

This calculation is based on the evolution of the Net Asset Value per share of the relevant Class (before deduction of the performance fee on the Valuation Day) compared to the first Net Asset Value which was calculated after the launch date of the relevant Class (the "Initial NAV").

A performance fee is acquired at each Net Asset Value calculation when the relative outperformance is greater than the Reference Outperformance (**High Watermark**), as defined below, even if the Net Asset Value as of the relevant Valuation Day is less than the Initial NAV of the relevant Class.

The Reference Outperformance represents the best outperformance of the relevant Class compared to the benchmark index after the Initial NAV of this Class.

The performance fee per share is equal to 20% of the difference between the outperformance on the relevant Valuation Day and the Reference Outperformance multiplied by the Net Asset Value as of the relevant Valuation Day.

This performance fee is payable within 15 Business Days after each quarter end.

Investors should note that each Class may have to bear a performance fee even where the Net Asset Value has decreased (but only when the decrease was smaller than that of the relevant benchmark index).



## II. VECTOR - FLEXIBLE

### 1. Name of the Sub-Fund

Vector –Flexible

### 2. Investment Objective and Policy

The Sub-Fund is a global equity fund that is actively managed on the basis of a set of mathematical valuation models belonging to the Investment Advisor. Throughout a full business cycle, the Sub-Fund aims to maximise its alpha while targeting a beta of close to 0.75 with the global equity markets (in euro). In order to achieve this, the Management Company systematically screens global equity markets in search of undervalued stocks, by assessing over 2500 companies on a quantitative basis on their growth, risk and valuation properties.

Out of this vast universe, a portfolio of at least 50 companies is constructed, based on their chances of outperforming their peers in the months following their selection. The Sub-Fund always aims for a well-balanced diversification of its equity holdings over different sectors and regions (developed as well as emerging), without however subjecting to formal limits, apart from the investment restrictions contained in the main part of this Prospectus.

Depending on market conditions, the Sub-Fund may invest up to 100% of its assets in cash or money market instruments.

The Sub-Fund may invest up to 10% of its net assets in units or shares of UCITS. It may also use futures and other derivatives to hedge its currency and market exposure.

### 3. Sub-Fund's Risk Profile

Investments into the Sub-Fund are subject to market fluctuations and to the risks inherent in investments in transferable securities and money market instruments. The stock markets as well as individual shares can be volatile; the price can vary substantially in a very short time. The risk could affect the value of the Sub-Fund which could vary in a similar way to the value of the shares it holds. The value of an investment may furthermore be affected by fluctuations in interest rates, or the currency of the country where the investment has been made, or by exchange control regulations, application of tax laws in various countries, including withholding taxes, changes in government or economic or monetary policy in the countries concerned. Consequently, no assurance can be given that the investment objectives will be achieved.

The attention of subscribers is drawn to the fact that the investment in issuers situated in emerging countries is not omitted from the investment policy of this Sub-Fund. The political and economic situation of emerging countries presents a higher investment risk which may be reflected in the performance of the SICAV's Sub-Funds. This risk may be associated with, for example, restrictions on repatriation of capital, market volatility or illiquidity of investments, according to the market conditions of the emerging countries concerned.

In addition, some emerging countries' markets do not, at this stage, offer the same quality, maturity and thus safety as the major international markets in developed countries. It follows that the securities transactions and their safekeeping may be less reliable.

#### 4. Risk measurement approach

The global exposure of the Sub-Fund is calculated using the commitment approach.

#### 5. Profile of the Typical Investor

The Sub-Fund is suitable for investors accepting a moderate risk and who favour long-term performance and who accept, if applicable, a medium-term decline in the net asset value of their portfolio.

The minimum recommended investment horizon is five years.

Investors should seek the advice of their financial and/or tax consultant in order to obtain an opinion on the consequences of subscribing to shares in the Sub-Fund.

#### 6. Reference Currency

The reference currency of the Sub-Fund is the Euro.

#### 7. Share Classes

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*	Restrictions	Performance fee benchmark
C1	Max. 1.5%	Max. 15%	Max. 1%	Max. 0.25% for the class		5% per year
C2****	Max. 1.5%	Max. 15%	Max. 2%	Max. 0.25% for the class	Restricted to certain distributors	5% per year
C3	Max. 1.5%	Max. 15%	Max. 3%	Max. 0.25% for the class	Restricted to certain distributors	5% per year
C4	Max. 1.5%	Max. 15%	Max. 2%	Max. 0.25% for the class	Restricted to certain distributors	5% per year
C5****	Max. 1.5%	Max. 15%	Max. 2%	Max. 0.25% for the class	Restricted to certain distributors	5% per year
F	Max. 1.5%	Max. 20%	0%	0%	Restricted to certain categories of investors approved by the Board	75% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 25% Eonia EUR (Bloomberg code EONCAPL7)
P	Max. 1.5%	Max. 20%	Max. 1%	Max. 0.25% for the class	Restricted to certain distributors	75% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 25% Eonia EUR (Bloomberg code EONCAPL7)
I1	Max. 0.75%	Max. 20%	Max. 2%	0%	Restricted to certain categories of large investors approved by the Board (Min. investment of 5 Million EUR)	75% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 25% Eonia EUR (Bloomberg code EONCAPL7)
S	Max. 2.0%	Max. 20%	Max. 3%	Max. 0.25% for the class	Restricted to certain distributors	75% MSCI World All Countries index in Euro (Bloomberg code MDWD) + 25% Eonia EUR (Bloomberg code EONCAPL7)

\* calculated as a percentage of the Net Asset Value of the shares subscribed/redeemed.

\*\* calculated as an average percentage of the Net Asset Value per quarter of the Sub-Fund and payable quarterly. The Management and Advisory Fee will be paid by the Sub-Fund to the Investment Advisor, which will, in turn, allocate part of this fee to the Management Company.

\*\*\* Please refer to section 10. "Performance Fee" below for more details on the calculation of the relevant performance fee.

\*\*\*\* Classes not yet launched.

The commission of the Depositary Bank and the Central Administration is maximum 0.14% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly. The commission of the Management Company is maximum 0.15% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly by the Sub-Fund.

## **8. Frequency of Calculation of the Net Asset Value**

Daily, on each Business Day (a "Valuation Day"). Please also refer to the provisions of section "Net Asset Value" in the main part of the Prospectus for more information on alternative Valuation Days.

## **9. Dividends**

All shares of this Sub-Fund are Capitalisation Shares and will not distribute any dividend.

## **10. Performance Fee**

### **For classes C1, C2, C3, C4 and C5:**

The performance fee per share for each Class, determined on each Valuation Day, is equal to 15% of the out-performance of the Class in question in relation to an annual return of 5%.

This calculation is based on the evolution of the Net Asset Value per share of the relevant Class (before deduction of the performance fee on the Valuation Day) compared to the first Net Asset Value which was calculated after the launch date of the relevant Class (the "Initial NAV").

A performance fee is acquired at each Net Asset Value calculation when the relative outperformance is greater than the Reference Outperformance (as defined hereinafter).

The Reference Outperformance (**High Watermark**) represents the best outperformance of the relevant Class compared to an annual return of 5% after the Initial NAV of this Class. The performance fee per share is equal to 15% of the difference between the outperformance on the relevant Valuation Day and the Reference Outperformance multiplied by the Net Asset Value as of the relevant Valuation Day.

This performance fee is payable within 15 Business Days after each quarter end.

### **For classes F, P, I1 and S:**

The performance fee per share for each Class, determined on each Valuation Day, is equal to 20% of the out-performance of the Class in question in relation to a benchmark index (see

table under point 7 in column Performance fee benchmark) (the last Bloomberg price on each Valuation Day).

This calculation is based on the evolution of the Net Asset Value per share of the relevant Class (before deduction of the performance fee on the Valuation Day) compared to the first Net Asset Value which was calculated after the launch date of the relevant Class (the "Initial NAV").

A performance fee is acquired at each Net Asset Value calculation when the relative outperformance is greater than the Reference Outperformance (**High Watermark**), as defined below, even if the Net Asset Value as of the relevant Valuation Day is less than the Initial NAV of the relevant Class.

The Reference Outperformance represents the best outperformance of the relevant Class compared to the benchmark index after the Initial NAV of this Class. The performance fee per share is equal to 20% of the difference between the outperformance on the relevant Valuation Day and the Reference Outperformance multiplied by the Net Asset Value as of the relevant Valuation Day.

This performance fee is payable within 15 Business Days after each quarter end.

Investors should note that each Class may have to bear a performance fee even where the Net Asset Value has decreased (but only when the decrease was smaller than that of the relevant benchmark index).

### III. VECTOR – TOP MANAGERS MIXED

**1. Name of the Sub-Fund**

Vector – Top Managers Mixed

**2. Investment Objective and Policy**

**Vector Top Managers Mixed** is a fund of fund which aims to achieve capital growth in the medium term. The Sub-Fund typically invests more than 80% (and always at least 50%) of its holdings in other investment funds that have a flexible, mixed investment policy. A mixed fund typically invests in a mix of different asset-classes such as equities, bonds, cash and alternative assets whereas a flexible fund tends to shift actively between these different asset classes, depending on prevailing market conditions. The assets of the Sub-Fund that are not invested in mixed, flexible funds may be invested in other eligible types of underlying UCIs (bond, equity cash or other) or directly in equity or bond markets, and in cash or cash equivalents on an ancillary basis.

**3. Sub-Fund's Risk Profile**

Investments into the Sub-Fund are subject to market fluctuations and to the risks inherent in investments in transferable securities and money market instruments. The value of an investment may be affected by fluctuations in interest rates, or the currency of the country where the investment has been made, or by exchange control regulations, application of tax laws in various countries, including withholding taxes, changes in government or economic or monetary policy in the countries concerned. In particular, stock markets as well as individual shares can be volatile; the price can vary substantially in a very short time. The risk could affect the value of the Sub-Fund which could vary in a similar way to the value of the shares it holds. Consequently, no assurance can be given that the investment objectives will be achieved.

The attention of subscribers is drawn to the fact that the investment in UCIs situated in emerging countries is not omitted from the investment policy of this Sub-Fund. The political and economic situation of emerging countries presents a higher investment risk which may be reflected in the performance of this Sub-Fund. This risk may be associated with, for example, restrictions on repatriation of capital, market volatility or illiquidity of investments, according to the market conditions of the emerging countries concerned.

In addition, some emerging countries' markets do not, at this stage, offer the same quality, maturity and thus safety as the major international markets in developed countries. It follows that the securities transactions and their safekeeping may be less reliable.

**4. Risk measurement approach**

The global exposure of the Sub-Fund is calculated using the commitment approach.

## 5. Profile of the Typical Investor

The Sub-Fund is suitable for investors accepting a moderate risk and who favour long-term performance and who accept, if applicable, a medium-term decline in the net asset value of their portfolio.

The minimum recommended investment horizon is four years.

Investors should seek the advice of their financial and/or tax consultant in order to obtain an opinion on the consequences of subscribing to shares in the Sub-Fund.

## 6. Reference Currency

The reference currency of the Sub-Fund is the Euro.

## 7. Share Classes

Class	Management and advisory fee**	Performance fee***	Entry fee*	Exit fee*
I-CAP	Max. 0.75%	No	Max. 2%	0%
I-DIV	Max. 0.75%	No	Max. 2%	0%
A-CAP	Max. 1.20%	No	Max. 2%	Max. 0.25% for the class
A-DIV****	Max. 1.20%	No	Max. 2%	Max. 0.25% for the class

\* calculated as a percentage of the Net Asset Value of the shares subscribed/redeemed.

\*\* calculated as an average percentage of the Net Asset Value per quarter of the Sub-Fund and payable quarterly. The Management and Advisory Fee will be paid by the Sub-Fund to the Investment Advisor, which will, in turn, allocate part of this fee to the Management Company.

\*\*\* Please refer to section 10. "Performance Fee" below for more details on the calculation of the relevant performance fee.

\*\*\*\* Class not yet launched.

The commission of the Depositary Bank and the Central Administration is maximum 0.14% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly. The commission of the Management Company is maximum 0.18% p.a. of the average Net Asset Value of each Sub-Fund and payable quarterly by the Sub-Fund.

## 8. Frequency of Calculation of the Net Asset Value

Weekly, with Valuation Day every last Business Day of the week.

Please also refer to the provisions of section "Net Asset Value" in the main part of the Prospectus for more information on alternative Valuation Days.

**9. Dividends**

I-CAP and A-CAP shares are Capitalisation Shares and will not distribute any dividend.

I-DIV and A-DIV shares are Distribution Shares and will distribute dividend in accordance with section "Dividend Policy" of this Prospectus.

**10. Performance Fee**

No performance fee.

## Appendix 2: Additional Information for Investors in the Federal Republic of Germany

No notification pursuant to Sec. 310 of the German Capital Investment Code (*Kapitalanlagegesetzbuch* - KAGB) has been filed for the following Sub-Fund and the shares in this Sub-Fund may not be marketed to investors in the Federal Republic of Germany:

- **Vector – Top Managers Mixed.**

Paying and Information Agent of the Company in the Federal Republic of Germany is

Marcard, Stein & Co AG

Ballindamm 36

20095 Hamburg

Germany

(the „**German Paying and Information Agent**“)

Requests for the redemption or conversion of Shares, which may be distributed in the Federal Republic of Germany, may be submitted to the German Paying and Information Agent.

Requests for the redemption and switching of Shares, which may be distributed in the Federal Republic of Germany, may be submitted to the German Paying and Information Agent. Redemption proceeds and dividends, if any, may be paid, and any other payments may be made, to Shareholders upon their request through the German Paying and Information Agent.

The Prospectus, the Key Investor Information Documents, the Articles, the annual and semi-annual reports – each in paper form - as well as the issue and redemption prices and any conversion prices and any notices to Shareholders are available free of charge from the German Paying and Information Agent. Furthermore, the agreements and other documents listed under “Shareholder Information” of this Prospectus are available for inspection free of charge during normal business hours from the German Paying and Information Agent.

The issue, redemption and conversion prices are published on [www.fundsquare.net](http://www.fundsquare.net) and on [www.fundinfo.com](http://www.fundinfo.com). Any notices to Shareholders will be sent to the registered Shareholders by post. An additional notice will be published on [www.fundinfo.com](http://www.fundinfo.com) if one of the following events occurs:

- Suspension of redemptions of Shares;
- Termination of the management of the Company or liquidation of a Sub-Fund;
- Changes to the Articles that are inconsistent with the existing investment principles, affect significant investor rights, or relate to remuneration or compensation of expenses (stating the background and the investors' rights);
- Merger of a Sub-Fund; or
- Conversion of a Sub-Fund into a feeder fund.

### **Special risks resulting from tax documentation requirements in Germany:**

The Company intends to publish the taxation basis for Germany in accordance with the German Investment Tax Act (*Investmentsteuergesetz*, “InvStG”). The Company is required to provide documentation to the German fiscal authorities upon request in order to verify the accuracy of the information on the taxation basis published. The basis upon which such figures are calculated is subject to interpretation and it cannot be guaranteed that the German fiscal authorities will accept the Company’s calculation methodology in every material aspect. If mistakes made in the past are identified, correction of such mistakes will generally not be effected retroactively but will only be taken into account in the publication for the current financial year. The correction may positively or negatively affect the Shareholders who receive a distribution or an attribution of deemed income distributions in the current financial year.