

June 2018

# PROSPECTUS BI SICAV

**Undertaking for Collective Investments in Transferable Securities under Luxembourg law**

BI SICAV  
11-13, Boulevard de la Foire  
L-1528 Luxembourg  
Grand Duchy of Luxembourg

R.C.S. Luxembourg B. 116.116

**BANK INVEST**

# Prospectus BI SICAV

*(Société d'investissement à capital variable à compartiments multiples)*

Undertaking for Collective Investments in Transferable Securities (UCITS)  
in accordance with the laws of the Grand Duchy of Luxembourg.

Registered Office:  
11-13, Boulevard de la Foire  
L-1528 Luxembourg  
Grand Duchy of Luxembourg

R.C.S. Luxembourg: B-116.116

## **The Company contains the following Sub-funds:**

**A: Sub-funds primarily investing in bonds and other debt instruments**

BI SICAV – Emerging Markets Corporate Debt

**B: Sub-funds primarily investing in equities and related instruments:**

BI SICAV – New Emerging Markets Equities

This Prospectus replaces the Prospectus dated 15 September 2017 and incorporates all amendments to that Prospectus.

*Luxembourg, June 2018*

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## Important Information

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

The Company is registered in the Grand Duchy of Luxembourg as an Undertaking for Collective Investment in Transferable Securities with multiple compartment pursuant to Part I of the Luxembourg law of 17 December 2010 (as amended from time to time) on undertakings for collective investment transposing into Luxembourg law the Directive 2009/65/EC of the European Parliament and of the Council. However, such registration does not imply a positive assessment by the Supervisory Authority of the contents of this Prospectus or of the quality of the Shares offered for sale. Any representation to the contrary is unauthorised and unlawful.

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

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

Any information given by any person not mentioned in this Prospectus should be regarded as unauthorised. The information contained in this Prospectus is

considered to be accurate at the date of its publication. To reflect material changes, this Prospectus may be updated from time to time and potential Investors should enquire with the Company as to the issue of any later Prospectus.

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

The Company also publishes a Key Investor Information Document (the "KIID") that includes the information necessary for Investors to make an informed judgement of the investment proposed to them and, in particular, the risks attached thereto.

Subscriptions for Shares can be accepted only on the basis of the current Prospectus or the KIID accompanied by the latest Annual Report, and also the latest Semi-annual Report if this was published after the latest Annual Report. These reports in their latest version will form an integral part of the Prospectus.

## 1. Introduction

The Company was incorporated in the Grand Duchy of Luxembourg on 09 May 2006. The Company is organised as a variable capital company, *Société d'Investissement à Capital Variable* ("SICAV") with multiple compartments under the law of 10 August 1915 relating to commercial companies as amended and Part I of the UCI Law. The Company is established for an indefinite period from the date of incorporation.

The Registered Office of the Company is at 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg.

The Articles of Incorporation were originally published in the Mémorial dated 26 May 2006, and latest amended on 09 January 2009, this amendment having been published in the Mémorial dated 2 February 2009. The last version of the Articles of Incorporation has been deposited with the Chancery of the District Court of Luxembourg where they are available for inspection and where copies thereof can be obtained.

The financial year of the Company commences on 1 January and ends on 31 December of each year.

Shareholders' meetings shall be held annually in Luxembourg at the Company's Registered Office or at such other place as specified in the notice of meeting. The annual general meeting shall be held on the 5th Business Day in April each year, at 10:00 CET. If such a day is not a Business Day, the annual general meeting shall be held on the first following Business Day thereafter. Other meetings of Shareholders may be held at such place and time as may be specified in the respective notices of meetings. Registered Shareholders will receive notices of meetings as provided for by Luxembourg law. Notices will further be published as described in Chapter 19. ("Notices and information to Shareholders"). Resolutions concerning the interests of the Shareholders of the Company shall be passed at a general meeting and resolutions concerning the particular rights of the Shareholders of one specific Sub-fund shall in addition be passed by that Sub-fund's general meeting.

The Company may restrict or prevent the ownership of Shares by any person, firm, partnership or corporate body, if in the sole opinion of the Company such holding may be detrimental to the interests of the existing Shareholders or of the Company, if it may result in a breach of any law or regulation, whether in Luxembourg or otherwise, or if as a result thereof the Company may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred. Such persons, firms, partnerships or corporate bodies shall be determined by the Company (the "Prohibited Persons").

As the Company is not registered under the United States Securities Act of 1933, as amended, nor has the Company been registered under the United States Investment Company Act of 1940, as amended, its Shares may not be

offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof (hereinafter referred to as "US Persons"). For this purpose, the term "US Person" shall include:

- a citizen of the United States of America irrespective of his place of residence or a resident of the United States of America irrespective of his citizenship;
- a partnership organised or existing in laws of any state, territory or possession of the United States of America;
- a corporation organised under the laws of the United States of America or of any state, territory or possession thereof or
- any estate or trust which are subject to United States tax regulations.

As the above-mentioned definition of "US Person" differs from Regulation S of the US Securities Act of 1933, the Board of Directors, notwithstanding the fact that such person or entity may come within any of the categories referred to above, has granted authority to the Registrar and Transfer Agent to determine, on a case by case basis, whether ownership of Shares or solicitation for ownership of Shares shall or shall not violate any securities law of the United States of America or any state or other jurisdiction thereof.

Accordingly, the Company and/or the Registrar and Transfer Agent may require any Investor to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person or a US Person.

For further information on restricted or prohibited Share ownership please consult the Company or the Management Company.

The Board of Directors may decide, at any time, to establish new **Sub-funds for investment in securities**. On the establishment of such additional Sub-funds, the present Prospectus shall be amended accordingly and a new KIID shall be published.

Furthermore, in the case of Sub-funds created which are not yet opened for subscription, the Board of Directors is empowered to determine at any time the initial period of subscription and the initial subscription price; at the opening of such a Sub-fund, the Prospectus shall be amended accordingly and a new KIID shall be created to provide the Investors with the necessary information.

The Company is a single legal entity. However, if more than one Sub-fund is offered, each Sub-fund will be regarded as being separate from the others and will only be liable for its own obligations.

## 2. Investment objective and policies

The main objective of the Company is to provide a choice of professionally managed Sub-funds investing in a wide range of Transferable Securities in order to achieve an optimum return from capital invested, while reducing investment risk through diversification.

The specific investment objective and policy of each individual Sub-fund is described in connection with the presentation of each Sub-fund. The Sub-funds are managed in accordance with the investment restrictions specified in Chapter 7. ("Investment powers & restrictions", and the special investment and hedging techniques and instruments specified in Chapter 8. ("Special techniques & instruments"). The Company shall provide the relevant Shareholders with at least thirty (30) days' prior notice of any material change in its investment policy.

The Directors may decide to create further Sub-funds with different investment objectives, and in such cases, this Prospectus shall be updated accordingly. The Directors shall maintain for each Sub-fund a separate pool

of assets.

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

The Company and the Management Company shall ensure that each Sub-fund's global risk exposure relating to derivative instruments does not exceed the total net value of its portfolio. The risk exposure is calculated taking into account the current value of the underlying assets, the counter-party risk, future market movements and the time available to liquidate the positions.

The Investment Manager must operate the Sub-funds in accordance with the limits and restrictions detailed in Chapter 7. ("Investment powers & restrictions") and may for each Sub-fund use the permitted instruments as specified for such Sub-fund below.

## 3. The Company offers the following Sub-funds

### BI SICAV - Emerging Markets Corporate Debt

#### Investment objectives and strategy

The objective of the Sub-fund is to outperform the benchmark while maintaining the standard risk deviation of the benchmark. The Sub-fund will use a variety of strategies to achieve this target by investing at least two thirds of its assets globally in corporate debt from Emerging Market Debt Issuers including buying capital structures, taking advantage of the difference in pricing of credit spread between cash bonds and credit default swaps (CDS), exploiting credit and yield curves and currency movements. The framework however is set by certain rating limits and the corporate issuer concentration limit of 5% of the Net Asset Value of the Sub-fund.

#### Permitted instruments

In order to pursue its investment strategies the Sub-fund will invest in the instruments detailed below which, along with all the other instruments in which the Company invests, will obey all the restrictions detailed in Chapter 7. ("Investment powers & restrictions").

Overriding all other criteria, instruments, which cannot be independently priced regularly by the Management Company, are not eligible as a permitted instrument. Instruments where there is no official public price available are only eligible if the Management Company is able to obtain reliable, independent pricings of the instrument on a regular basis from financial counter-parties so that appropriate information is available.

The permitted instruments include the following:

- Long positions in cash bonds denominated in USD, EUR or local Emerging Market Currencies primarily issued by Emerging Market Debt Issuers or cash bonds linked to the mentioned issuers;
- Long positions in non-rated or rated cash bonds;
- Long and short positions on interest rate futures, as detailed below in Table 1;
- Cash denominated in G7 currencies or local Emerging Market Currencies, or Money Market Instruments with a maturity of 3 months or less;
- Cash positions in local Emerging Market Currencies placed with a financial counterpart in Emerging Market Countries qualifying as a first class financial institution specialised in these kind of transactions;
- Long and short over the counter (OTC) credit default swaps (CDS) on Emerging Market Debt Issuers;
- Long and short over the counter (OTC) positions on diversified Emerging Market Debt Issuers indices ("Index Derivatives");

Long positions in rated cash bonds have to have a minimum rating of CC assigned by Standard & Poor's Rating Services or Fitch Ratings, Ltd. or Ca by Moody's Investor Services, Inc. If a position in a rated cash bond is downgraded below CC/Ca, the position has to be sold within a period of 12 months after the downgrade has been announced by the rating agency.

Additional investment restrictions (as to those detailed in Chapter 7. ("Investment powers & restrictions")):

- Positions in cash bonds denominated in other currencies than the Base Currency may not exceed 30% of the Net Asset Value of the Sub-fund;
- Positions in unlisted securities may not exceed 10% of the Net Asset Value of the Sub-fund;
- A position in a single name corporate bond may not exceed 5% of the Net Asset Value of the Sub-fund;

- The Sub-fund may hedge its currency exposures to USD;
- Cash positions in Emerging Market Currencies placed with a financial counterpart in Emerging Market Countries may not exceed 10% of the Net Asset Value of the Sub-fund;
- Positions in non rated securities may not exceed 20% of the Net Asset Value of the Sub-fund;
- Positions in rated securities which have been downgraded below CC/Ca may not exceed 5% of the Net Asset Value of the Sub-fund; and
- The Sub-fund may not invest more than 10% of its net assets in shares or units of other UCITS or UCI as mentioned in Article 41 (1) e) of the UCI Law.

Table 1:

Derivative Products	Symbol	Exchange
UST Futures	USA, TYA, FVA etc.	CBOT
Euro Futures	UBA, RXA, OEA etc.	Exrex
Gilt Futures	G	LIFFE

#### Risk Profile

Please refer to Chapter 4. ("Risk factors") for a full description of the risk factors relevant to an investment in this Sub-fund.

Fixed income securities are subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity.

Emerging Market Country securities may involve greater risk than those associated with developed countries including greater currency risk, economic and political risk, settlement risk, price volatility and may have debt unrated by internationally recognised credit rating organisations.

Financial derivative instruments may be used for hedging purposes and as part of the investment strategy within the limits established in the Sub-fund's investment strategy and the legal investment restrictions. The use of financial derivative instruments may or may not achieve its intended objective and may involve additional risks inherent to these instruments and techniques. The possible effects on the risk profile of using financial derivative instruments for hedging purpose includes that the Sub-fund could miss the opportunity of realizing capital gains while protecting the portfolio against different risks. Using financial derivative instruments as part of the investment strategy could expose the Sub-fund to additional market risk and specific derivative risks.

#### Method for Measuring Global Exposure of this Sub-fund

The global exposure of this Sub-fund is measured using the Commitment Approach.

#### Base Currency

The Base Currency of this Sub-fund is USD.

The Net Asset Value per Share of each Class will be calculated in the reference currency of that Class. The reference currency of each Class is reflected in the name of such Class.

The investments of the Sub-fund made in assets denominated in a currency other than the Base Currency may be hedged into the Base Currency. Any currency hedging will be made through the use of various techniques including the entering into forward currency contracts, currency options and

futures. The relevant currency hedging is intended to reduce a Shareholder's exposure to the respective currencies (other than the Base Currency) in which the Sub-fund's investments are denominated. Where the currency exposure of the Sub-fund is not hedged or where the hedging transactions are not completely effective, the value of the assets of the Sub-fund may be affected favourably or unfavourably by fluctuations in currency rates. Any costs incurred relating to the above-mentioned hedging will be borne by the Sub-fund.

In addition, the aim is to hedge the currency exposure of the Base Currency into the reference currency of any Class of Shares denominated in any currency other than the Base Currency in order to minimise the impact of fluctuations in the exchange rates between the Base Currency and the relevant other currency. There can be no guarantee that currency hedging, when put in place, will be effective and there may be instances in which only partial hedging or even no hedging at all will be performed. The costs and any benefit of hedging the foreign currency exposure of a Class of Shares with a reference currency other than the Base Currency towards the Base Currency will be allocated solely to the relevant hedged Class of Shares.

#### Benchmark

The benchmark is JP Morgan Corporate Emerging Markets Bond Index Broad Diversified.

For share classes which have a different currency than the Base Currency of the Sub-fund, the benchmark will be hedged towards the currency of the share class for calculation of relative performance.

#### Profile of the typical Investor

In light of this Sub-fund's investment objective it may be appropriate for Investors who:

- Seek capital appreciation over the long-term.
- Do not seek regular income distributions.
- Can withstand volatility in the value of their portfolio.
- Accept the risks associated with this type of investment.

An investment in this Sub-fund is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all Investors. This Sub-fund is not intended to be a complete investment programme and Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-fund. An investment in this Sub-fund is intended to be a long-term investment. This Sub-fund should not be used as a trading vehicle.

#### Available Shares

The following Classes of Shares are currently available within this Sub-fund:

Name	Type of investor	Currency	Distribution policy
I(EUR)	Institutional	Euro	Distributing Class
I(USD)	Institutional	US Dollar	Distributing Class
R(EUR)	All Investors	Euro	Distributing Class

Hedged Classes are Classes to which a hedging strategy aiming at mitigating currency risk against the Base Currency of the Sub-fund is applied, in accordance with ESMA opinion on share classes of UCITS (ESMA34-43-296).

In accordance with the provisions of Chapter 5. ("Share Capital"), the Company will enter into hedging transactions to hedge the exposure to foreign exchange risk in the Class I(EUR) and R(EUR).

#### Cut-Off Time

13:00 CET on any Trading Day.

#### Minimum initial investment and minimum holding amount

I(EUR)	EUR 100,000	or equivalent
I(USD)	USD 100,000	
R(EUR)	EUR 300	or equivalent

#### Minimum subsequent investment amount

I(EUR)	EUR 1,000	or equivalent
I(USD)	USD 1,000	
R(EUR)	EUR 50	or equivalent

#### Fees charged to the Investor in favour of the Principal Distributor/Sub-distributor

	Subscription Fee
I(EUR)	Up to 1.0%
I(USD)	Up to 1.0%
R(EUR)	Up to 1.0%

#### Additional Subscription Fee:

Shareholders may in connection with conversion of their Shares be requested to bear the difference in the initial Subscription Fee between the Sub-fund they redeem and the Sub-fund to which they subscribe.

#### Fees charged to the Sub-fund and included in the daily Net Asset Value per Share

	Investment Management Fee % p.a.
I(EUR)	0.80
I(USD)	0.80
R(EUR)	1.25

#### Management Company Fee

Between 0.04% to 0.10% per annum of the net assets of the Sub-fund with an annual minimum fee of EUR 20,000.00.

For its compliance monitoring services the Management Company receives an additional fee in the amount of 420 EUR per month payable out of the net assets of the Sub-fund.

In addition, the Management Company is entitled to receive a fee of EUR 500 EUR per annum per Sub-fund.

#### Depository, Central Administration, Registrar and Transfer Agent Fees

The Company will pay to the Depository, the Central Administration and the Registrar and Transfer Agent annual fees which will amount to a maximum percentage of 2% of the Net Asset Value per Share per Sub-fund (depending on the total Net Asset Value of the Company) subject to a minimum fee per Sub-fund of EUR 33,400 and a minimum fee of EUR 24,000 at the Company level. These fees are payable on a monthly basis and do not include any transaction related fees and costs of sub-custodians or similar agents. The Depository, the Central Administration as well as the Registrar and Transfer Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees. The amount paid by the Company to the Depository, the Central Administration and the Registrar and Transfer Agent will be mentioned in the annual report of the Company.

#### Collateral Manager

The Collateral Manager is entitled to receive a fee for its services which ranges between 0,5 and 1 bps per annum depending on the value of the collateral. Further, the Collateral Manager is entitled to receive up to EUR 3,000 per annum per ISDA counterparty that the Sub-fund has open derivative trades with. In addition, the Collateral Manager may charge EUR 20 per collateral or interest payment transaction.

The fees to be paid to the Collateral Manager are subject to a minimum fee of EUR 15,000 per annum, whereas such minimum fee covers not only the Company, but all investment funds managed by the Investment Manager and for which the Collateral Manager has been appointed. Such minimum fee will be split between the investment funds concerned on the basis of the number of ISDA counterparties accepted for the respective investment fund.

In addition hereto the Sub-fund also pays expenses as described in Chapter 16. ("Expenses borne by the Company").

#### Total Expense Ratio (TER)

This ratio expresses the sum of all costs and commissions charged on an ongoing basis to the Sub-fund's assets taken retrospectively as a percentage of the Sub-fund's average assets. The latest calculated TER-rate can be found in the Company's latest financial report.

#### Initial subscription period/day

Name	Initial subscription period/day
I(USD)	02 July 2018 until the earlier of (i) the date of receipt of the first subscription order or (ii) 31 July 2018
I(EUR)	21 September 2006 until 28 September 2006
R(EUR)	01 November 2007 until 07 November 2007

#### Inception date

Name	Inception date
I(USD)	31 July 2018 or upon close of the initial subscription period, whichever is earlier
I(EUR)	28 September 2006
R(EUR)	07 November 2007

#### Price calculation and price publication

The Net Asset Value per Share of each Share Class is calculated for each Trading Day.

The Net Asset Value per Share is made public at the Registered Office of the Company.



## BI SICAV - New Emerging Markets Equities

### Investment objectives and strategy

The objective of the Sub-fund is to generate an attractive risk-adjusted return. The Sub-fund is investing in equities issued by companies which are either domiciled in, or having exposure to, or listed on an exchange in a frontier or emerging market (New Emerging Markets Countries). The Sub-fund shall mainly invest in countries that are considered to be in an earlier economic, political, and financial development stage compared to the more typical emerging markets countries. The Sub-fund will mainly invest in a wide range of frontier countries in Africa, Middle East, Eastern Europe, Asia and Latin America, which are part of the MSCI Frontier Markets index, have a limited weight in MSCI Emerging Markets index or in countries that are not included in any MSCI indices. Further, the Sub-Fund may invest in Emerging Market Countries.

Return is created by investing in companies that are expected to benefit from structural changes or companies becoming structural winners. The Sub-fund is an active bottom-up stock picking fund based on detailed fundamental analysis including top-down considerations.

### Permitted instruments

In order to pursue its investment strategies, the Investment Manager will invest principally in the instruments detailed below which, along with all the other instruments in which the Company invests, will obey all the restrictions detailed in Chapter 7. ("Investment powers & restrictions").

Overriding all other criteria, instruments, which cannot be independently priced regularly by the Management Company, are not eligible as a permitted instrument. Instruments where there is no official public price available are only eligible if the Management Company is able to obtain reliable, independent pricings of the instrument on a regular basis from financial counter-parties so that appropriate information are available.

The permitted instruments include the following:

- the Sub-fund mainly invests in equities issued by companies domiciled in a New Emerging Market Country or in companies having their main activities or main assets in one or more New Emerging Market Country/ies;
- the Sub-fund may invest in equities issued by companies domiciled in an Emerging Market Country or in companies having their main activities or main assets in one or more Emerging Market Country/ies.
- the equities have to be listed and traded on exchanges situated in one or more member states of the European Union or that are members of the "World Federation of Exchanges" ([www.fibv.com](http://www.fibv.com)) or of the "Federation of European Securities Exchanges" ([www.fese.be](http://www.fese.be)) or on any other regulated exchange in an Emerging Market Country;
- the Sub-fund may invest in global depository receipts (GDR) and American depository receipts (ADR) and American depository shares (ADS), as well as in equity participation notes (P-notes; a security with a return profile similar to the underlying equity security) and similar instruments;
- positions in unlisted securities may not exceed 10% of the Net Asset Value; and
- Cash denominated in G7 currencies or in local New Emerging Market Country currencies.

Additional investment restrictions (as to those detailed in Chapter 7. ("Investment powers & restrictions")):

- The Sub-fund may not invest more than 10% of its net assets in shares or units of other UCITS or UCI as mentioned in Article 41 (1) e) of the UCI Law.

### Risk Profile

Please refer to Chapter 4. ("Risk factors"), for a full description of the risk factors relevant to an investment in this Sub-fund.

Equity instruments are generally considered high risk investments, and the returns may be volatile.

Emerging country securities may involve greater risk than those associated with developed countries including greater currency risk, economic and political risk, settlement risk, price volatility and may have debt un-rated by internationally recognised credit rating organisations.

### Method for Measuring Global Exposure of this Sub-fund

The global exposure of this Sub-fund is measured using Commitment approach.

### Base Currency

The Base Currency of this Sub-fund is EUR.

The Net Asset Value per Share of each Class will be calculated in the reference currency of that Class. The reference currency of each Class is reflected in the name of such Class.

### Benchmark

The benchmark is a weighted index consisting of 50% of the MSCI Frontier Index and of 50% of the MSCI Frontier ex GCC Index. The benchmark is re-weighted at the end of each calendar year.

For share classes which have a different currency than the Base Currency of the Sub-fund, the benchmark may be hedged towards the currency of the share class for calculation of relative performance if the share class is hedged.

### Profile of the typical Investor

In light of this 'Sub-fund' investment objective it may be appropriate for Investors who:

- Seek capital appreciation over the long-term.
- Do not seek regular income distributions.
- Can withstand volatility in the value of their portfolio.
- Accept the risks associated with this type of investment.

An investment in this Sub-fund is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all Investors. This Sub-fund is not intended to be a complete investment programme and Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-fund. An investment in this Sub-fund is intended to be a long-term investment. This Sub-fund should not be used as a trading vehicle.

### Available Shares

The following Classes of Shares are currently available within this Sub-fund:

Name	Type of investor	Currency	Distribution policy
I(EUR)	Institutional	Euro	Distributing Class
R(EUR)	All Investors	Euro	Distributing Class

Hedged Classes are Classes to which a hedging strategy aiming at mitigating currency risk against the Base Currency of the Sub-fund is applied, in accordance with ESMA opinion on share classes of UCITS (ESMA34-43-296).

In accordance with the provisions of Chapter 5. ("Share Capital"), the Company will not enter into hedging transactions to hedge the exposure to foreign exchange risk in any Class of the Sub-fund.

### Cut-Off Time

13:00 CET on any Trading Day.

### Minimum initial investment and minimum holding amount

I(EUR)	EUR 100,000	
R(EUR)	EUR 300	

### Minimum subsequent investment amount

I-Shares	EUR 1,000	
R-Shares	EUR 50	

### Fees charged to the Investor in favour of the Principal Distributor / Sub-distributor

	Subscription Fee
I(EUR)	Up to 1.25%
R(EUR)	Up to 1.25%

### Additional Subscription Fee:

Shareholders may in connection with conversion of their Shares be requested to bear the difference in the initial Subscription Fee between the Sub-fund they redeem and the Sub-fund to which they subscribe.

### Fees charged to the Sub-fund and included in the daily Net Asset Value per Share

	Investment Management Fee % p.a.
I(EUR)	1.50
R(EUR)	2.00

### Management Company Fee

Between 0.04% to 0.10% per annum of the net assets of the Sub-fund with an annual minimum fee of EUR 20,000.00.

For its compliance monitoring services the Management Company receives an additional fee in the amount of 420 EUR per month payable out of the net assets of the Sub-fund.

In addition, the Management Company is entitled to receive a fee of EUR 500 EUR per annum per Sub-fund.

**Depository, Central Administration, Registrar and Transfer Agent Fees**  
The Company will pay to the Depository, the Central Administration and the Registrar and Transfer Agent annual fees which will amount to a maximum percentage of 2% of the Net Asset Value per Share per Sub-fund (depending on the total Net Asset Value of the Company) subject to a minimum fee per Sub-fund of EUR 33,400 and a minimum fee of EUR 24,000 at the Company level. These fees are payable on a monthly basis and do not include any transaction related fees and costs of sub-custodians or similar agents. The Depository, the Central Administration as well as the Registrar and Transfer Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees. The amount paid by the Company to the Depository, the Central Administration and the Registrar and Transfer Agent will be mentioned in the annual report of the Company.

#### Collateral Manager

The Collateral Manager is entitled to receive a fee for its services which ranges between 0,5 and 1 bps per annum depending on the value of the collateral. Further, the Collateral Manager is entitled to receive up to EUR 3.000 per annum per ISDA counterparty that the Sub-fund has open derivative trades with. In addition, the Collateral Manager may charge EUR 20 per collateral or interest payment transaction.

The fees to be paid to the Collateral Manager are subject to a minimum fee of EUR 15.000 per annum, whereas such minimum fee covers not only the Company, but all investment funds managed by the Investment Manager and for which the Collateral Manager has been appointed. Such minimum fee will be split between the investment funds concerned on the basis of the number of ISDA counterparties accepted for the respective investment fund.

In addition hereto the Sub-fund also pays expenses as described in Chapter 16. ("Expenses borne by the Company").

#### Total Expense Ratio (TER)

This ratio expresses the sum of all costs and commissions charged on an ongoing basis to the Sub-fund's assets taken retrospectively as a percentage of the Sub-fund's average assets. The latest calculated TER-rate can be found in the Company's latest financial report.

#### Initial subscription period/day

Name	Initial subscription period/day
I(EUR)	10 September 2007 until 30 November 2007
R(EUR)	10 September 2007 until 30 November 2007

#### Inception date

Name	Inception date
I(EUR)	30 November 2007
R(EUR)	30 November 2007

#### Price calculation and price publication

The Net Asset Value per Share of each Share Class is calculated for each Trading Day.

The Net Asset Value per Share is made public at the Registered Office of the Company.

## 4. Risk Factors

### 4.1 General Risk Factors

#### 4.1.1 Valuation of the Company's assets and their underlying

Investors should be aware that an investment in the Company involves, where applicable, assessing the risk of an investment linked to the underlying of a Company asset and the techniques used to link those. Investors should be experienced with respect to transactions involving the purchase of Shares the value of which derives from an underlying. The value of an underlying and the Company's asset and the value of the techniques used to link them may vary over time and may increase or decrease by reference to a variety of factors which may include, amongst others, corporate actions, macro-economic factors and speculation. Where the underlying concerned is a basket of securities or one or more indices, the changes in the value of any one security or index may be offset or intensified by fluctuations in the value of other securities or indices which comprise such constituents of the underlying or by changes in the value of the Company's asset itself.

#### 4.1.2 Exchange rates

Investors should be aware that an investment in the Shares may involve exchange rate risks. For example (i) the underlying may directly or indirectly provide exposure to a number of different currencies of emerging market or developed countries; (ii) the underlying and/or the Company's asset may be denominated in a currency other than the Base Currency; (iii) the Shares may be denominated in a currency other than the currency of the Investor's home jurisdiction; and/or (iv) the Shares may be denominated in a currency other than the currency in which an Investor wishes to receive his monies. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which are influenced by macro economic factors (such as the economic development in the different currency areas, interest rates and international capital movements), speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Shares.

#### 4.1.3. Share Currency Designation Risk

A Class of a Sub-fund may be designated in a currency other than the Base Currency of the Sub-fund and/or the designated currencies in which the Sub-fund's assets are denominated. Redemption proceeds and any distributions to Shareholders will normally be made in the currency of denomination of the relevant Class. Changes in the exchange rate between the Base Currency and such designated currency or changes in the exchange rate between the designated currencies in which the Sub-fund's assets are denominated and the designated currency of a Class may lead to a depreciation of the value of such Shares as expressed in the designated currency. If specifically mentioned in the Sub-fund related part of the Chapter 3 ("The Company offers the following Sub-funds"), the Company will try to hedge this risk. In such

circumstances, Shareholders of the relevant Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant assets. Assets used to implement such strategies shall be assets/liabilities of the Sub-fund as a whole. However, the gains/losses on, and the costs of, the relevant assets will accrue solely to the relevant Class.

#### 4.1.4 Interest rate

Investors should be aware that an investment in the Shares may involve interest rate risk in that there may be fluctuations in the currency of denomination of the underlying and/or the Company's asset (if applicable) and/or the Shares.

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the underlying and/or the Company's asset are denominated may affect the value of the Shares.

#### 4.1.5 Market volatility

Market volatility reflects the degree of instability and expected instability of the performance of the Shares, the underlying and/or the Company's asset, and/or the techniques to link them, where applicable. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer Investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

#### 4.1.6 Credit risk

Investors should be aware that such an investment may involve credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may become zero) and any amounts paid on such securities (which may become zero). This may in turn affect the Net Asset Value per Share.



#### 4.1.7 Credit derivatives

Credit risk refers to the risk that a company (referred to as the "reference entity") may fail to perform its payment obligations under a transaction when they are due to be performed as a result of a deterioration in its financial condition. This is a risk for the other companies or parties which enter into transactions with the reference entity or in some other way have exposure to the credit of the reference entity. The term transaction is used widely. It can include loan agreements entered into by the reference entity and also securities issued by the reference entity.

The parties which bear credit risk of a reference entity may seek to pass on this risk through a "credit derivative transaction" with other companies. A derivative is a financial instrument which derives its value from an underlying or variable. In the case of a credit derivative transaction the credit risk of the reference entity defaulting is the relevant variable. Many financial institutions or banks will regularly quote prices for entering into or selling a credit derivative transaction. For a financial institution or bank credit derivatives transactions may be a large part of its business. Prices are quoted on the basis of an analysis of the credit risk of the relevant reference entity. If participants in the credit derivatives market think that a credit event (as described in the following paragraph) is likely to occur in relation to a particular reference entity, then the cost of buying credit protection through a credit derivative transaction will increase. This is regardless of whether or not there has been an actual default by the reference entity. The party to the credit derivative transaction which purchases credit protection is referred to as the "credit protection buyer" and the party which sells the credit protection is referred to as the "credit protection seller".

The credit protection buyer and credit protection seller will agree between them the types of event which may constitute a "credit event" in relation to the relevant reference entity. Typical credit events include (i) the insolvency of the reference entity (ii) its failure to pay a specified amount (iii) a restructuring of the debt owed or guaranteed by the reference entity due to a deterioration in its financial condition (iv) a repudiation or moratorium where the reference entity announces that it will no longer make certain payments or agrees with its lenders a delay or deferral in making payments or (v) a requirement that the reference entity accelerate payment of its obligation. To a large extent the credit events are determined by reference to specified obligations of the reference entity or obligations guaranteed by the reference entity, as selected by the credit protection buyer. These are referred to as "reference obligations".

If a specified credit event occurs in respect of the relevant reference entity, or in respect of a reference obligation, the credit protection seller may be obliged to purchase the reference obligation at par (typically 100 per cent of its face amount) from the credit protection buyer. The credit protection seller can then sell the obligation in the market at the market price which is expected to be lower than par (because the reference entity has suffered a credit event, its obligations are less likely to be met and therefore are worth less in the market). The proceeds of sale are called "recoveries". The loss that the credit protection seller incurs (par value minus recoveries) is assumed to be the same as the loss that a holder of such obligation would incur following the occurrence of a credit event. This type of credit derivative transaction is referred to as a "physically settled credit derivative transaction".

Often credit derivative transactions are drafted such that there is no physical delivery of the relevant obligation against the payment of the par value. Instead, the recovery value is determined by obtaining quotations for the reference obligation from other credit derivatives market participants. Following market practice, a credit protection buyer is likely to select a reference obligation with the lowest market value. Consequently the recovery value will be less than would otherwise be the case. The credit protection seller must then make a payment (sometimes referred to as a loss amount) to the credit protection buyer equal to the difference between par value and recovery value. This is referred to as a "cash settled credit derivative transaction". If no specified credit event occurs, the credit protection seller receives periodic payments from the credit protection buyer for the credit protection it provides but does not have to make any payments to the credit protection buyer. These are referred to as credit premiums. Typically the credit protection buyer acts as calculation agent and makes all determinations in relation to the credit derivative transactions.

#### 4.1.8 Liquidity risk

Certain types of assets or securities may be difficult to buy or sell, particularly during adverse market conditions. This may in turn affect the Net Asset Value per Share.

#### 4.1.9 Duplication of fees

Investors should be aware that there may be a duplication of management fees and other operating fund related expenses, each time a Sub-fund invests in a UCITS or other UCI. However, in any event, there will be no duplication of investment management fees in relation to investments made by a Sub-fund in a UCITS or other UCI managed by the Investment Manager.

#### 4.1.10 Counterparty Risk

In accordance with its investment objective and policy, a Sub-fund may trade 'over-the-counter' (OTC) financial derivative instruments such as non-exchange traded futures and options, forwards, swaps or contracts for difference. OTC derivatives are instruments specifically tailored to the needs of an individual investor that enable the user to structure precisely its exposure to a given position. Such instruments are not afforded the same protections as may be available to investors trading futures or options on organized exchanges, such as the performance guarantee of an exchange clearing house. The counterparty to a particular OTC derivative transaction will generally be the specific entity involved in the transaction rather than a recognized exchange clearing house. In these circumstances the Sub-fund will be exposed to the risk that the counterparty will not settle the transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. This could result in substantial losses to the Sub-fund.

Participants in OTC markets are typically not subject to the credit evaluation and regulatory oversight to which members of 'exchange-based' markets are subject. Unless otherwise indicated in the Prospectus for a specific Sub-fund, the Company will not be restricted from dealing with any particular counterparties. The Company's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and foolproof evaluation of the financial capabilities of the counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses.

The Company may select counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Sub-fund and its assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize the effect of their insolvency on the Sub-fund and its assets. Shareholders should assume that the insolvency of any counterparty would generally result in a loss to the Sub-fund, which could be material.

If there is a default by the counterparty to a transaction, the Company will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays and costs. If one or more OTC counterparties were to become insolvent or the subject of liquidation proceedings, the recovery of securities and other assets under OTC derivatives may be delayed and the securities and other assets recovered by the Company may have declined in value.

Regardless of the measures that the Company may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Sub-fund will not sustain losses on the transactions as a result. Such counterparty risk is accentuated for contracts with longer maturities or where the Sub-fund has concentrated its transactions with a single or small group of counterparties.

#### 4.1.11 FATCA Considerations

The Company may be subject to regulations imposed by foreign regulators, in particular, the United States Hiring Incentives to Restore Employment Act (Hire Act) which was enacted into U.S. law on 18 March 2010. It includes provisions known as FATCA. FATCA provisions generally impose a reporting obligation to the US Internal Revenue Services ("IRS") of non-US financial institutions that do not comply with FATCA and US persons' (within the meaning of FATCA) direct and indirect ownership of non-US accounts and non-US entities.

Failure to provide the requested information will result in a 30% withholding tax applying to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends.

The Company may be treated as a Foreign Financial Institution within the meaning of FATCA. As such, the Company may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Company become subject to a withholding tax as a result of FATCA, the value of the Shares held by Shareholders may be materially affected.

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

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

- withhold on any payment to shareholders an amount equal to any taxes or similar charges required by applicable laws and regulations to be withheld in respect of any shareholding in the Company;
- require any Shareholder or beneficial owner of Shares to promptly provide such personal data as may be required by the Company in its discretion in order to comply with applicable laws and regulations and/or determine the amount to be withheld;
- divulge any such personal data to any tax authority, as may be required by applicable laws and regulations or requested by such authority; and
- delay payments to any Shareholder, including any dividend or redemption proceeds, until the Company holds sufficient information to comply with applicable laws and regulations and/or determine the amount to be withheld.

#### 4.1.12 Common Reporting Standards

Capitalised terms used in this section should have the meaning as set forth in the CRS Law (as defined below), unless provided otherwise herein.

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters and its Common Reporting Standard ("CRS") as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the "CRS Law").

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions, the Company will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain Shareholders qualifying as Reportable Persons and (ii) Controlling Persons of certain Non-Financial Entities ("NFEs") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "Information"), will include personal data related to the Reportable Persons.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS Law. The Shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.

The Shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the Shareholders undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Shareholders further undertake to inform the Company within thirty (30) days of, and provide the Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Shareholder that fails to comply with the Company's Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such Shareholder's failure to provide the Information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

#### 4.2 Specific risks

##### 4.2.1. Main risks of investing in BI SICAV - Emerging Markets Corporate Debt:

Because the Sub-fund invests its assets in securities of emerging markets companies, the primary risk is that the value of the securities it hold might decrease in response to the activities of those companies or markets and economic conditions. Thus, the Sub-fund return will vary, and an investor could lose money by investing in it. Foreign investments often involve additional risks, such as political instability, differences in financial reporting standards and less stringent regulation of securities markets. These risks may be greatly increased in Emerging Market Countries because the securities in emerging markets may be subject to greater volatility and less liquidity than companies in more developed markets. Because the securities held by the Sub-fund usually will be denominated in currencies other than the Euro, changes in foreign currency exchange rates may adversely affect the Euro value of the Sub-fund's investments. The currencies of Emerging Market Countries may experience devaluation relative to the Euro and continued devaluations may adversely affect the value of the Sub-fund's assets denominated in such currencies. The Sub-fund also may invest in the

securities of small companies, which may be more volatile and less liquid than securities of large companies.

##### **BI SICAV - EMERGING MARKETS CORPORATE DEBT INVOLVES A HIGH LEVEL OF RISK, AND MAY NOT BE APPROPRIATE FOR ALL INVESTORS.**

This Sub-fund is intended for long-term investment. In addition, it is intended for Investors who can accept the risks entailed in investing in foreign securities.

##### 4.2.2. Main risks of investing in the BI SICAV - New Emerging Markets Equities:

Because the Sub-fund invests its assets in equity securities of emerging markets companies, the primary risk is that the value of the securities it hold might decrease in response to the activities of those companies or markets and economic conditions. Thus, the Sub-fund's returns will vary, and an Investor could lose money by investing in it. Foreign investments often involve additional risks, such as political instability, differences in financial reporting standards and less stringent regulation of securities markets. These risks may be greatly increased in Emerging Market Countries because the securities in emerging markets may be subject to greater volatility and less liquidity than companies in more developed markets. Because the securities held by the Sub-fund usually will be denominated in currencies other than the Euro, changes in foreign currency exchange rates may adversely affect the Euro value of the Sub-fund's investments. The currencies of Emerging Market Countries may experience devaluation relative to the Euro, and continued devaluations may adversely affect the value of the Sub-fund's assets denominated in such currencies. The Sub-fund also may invest in the securities of small companies, which may be more volatile and less liquid than securities of large companies.

##### **BI SICAV - NEW EMERGING MARKETS EQUITIES INVOLVES A HIGH LEVEL OF RISK, AND MAY NOT BE APPROPRIATE FOR ALL INVESTORS.**

The Sub-fund is intended for long-term investment. In addition, it is intended for investors who can accept the risks entailed in investing in foreign securities.

#### 4.3. Other risks

##### 4.3.1 Investment in equity securities

###### General

The equity Sub-fund, subject to its investment objective and policy, may invest substantially all of its assets in common stocks and the primary risk is that the value of the stocks it holds may decrease in response to the activities of an individual company or in response to general market, business and economic conditions. If this occurs, the Sub-fund's share price will also decrease.

###### Smaller stocks

The equity Sub-fund, subject to its investment objective and policy, may invest in stocks of smaller companies which involve greater risk than those of larger, more established companies. This is because smaller companies may be in earlier stages of development, may be dependent on a small number of products or services, may lack substantial capital reserves and/or do not have proven track records. Smaller companies may be more adversely affected by poor economic or market conditions, and may be traded in low volumes, which may increase volatility and liquidity risks. From time to time, if described in the relevant investment policy, the Sub-fund may invest in equity securities of very small companies, often referred to as "micro-cap" companies. The Investment Manager currently defines "micro-cap" companies as those with market capitalizations of \$300 million or less at the time of the Sub-fund's investment. The considerations noted above are generally intensified for these investments. Any convertible debentures issued by small companies are likely to be lower-rated or non-rated securities, which generally involve more credit risk than debentures in the higher rating categories and generally include some speculative characteristics, including uncertainties or exposure to adverse business, financial or economic conditions that could lead to inadequate capacity to meet timely interest and principal payments.

###### New companies

The equity Sub-fund, subject to its investment objective and policy, may invest in new companies, many of which will be small companies. New companies may have inexperienced management, limited access to capital, and higher operating costs than established companies. New companies may be less able to deal successfully with or survive adverse circumstances such as economic downturns, shifts in investor sentiment, or fierce competition. The Sub-fund may buy securities of new companies through Initial Public Offerings or private placements. The IPOs are subject to high volatility and are of limited availability; the Sub-fund's ability to obtain allocations of IPOs is subject to allocation by members of the underwriting syndicate to various clients and allocation by the advisor among its clients. These factors may have a negative effect on the performance of the Sub-fund.

###### Less liquid investments

The equity Sub-fund, subject to its investment objective and policy, may invest

up to 10% of its net assets in private placements. These securities are not registered for resale in the general securities market and may be classified as less liquid. It may be difficult to sell or otherwise dispose of less liquid securities both at the price and within a time period deemed desirable by the Sub-fund.

#### Non-European investments

The equity Sub-fund, subject to its investment objective and policy, may invest either to a limited extent or as a main investment strategy in non-European investments. The Sub-fund seeks to invest in companies and governments of countries having stable or improving political environments; however, there is the possibility of expropriation or confiscatory taxation, seizure or nationalization of foreign bank deposits or other assets, establishment of exchange controls, the adoption of foreign government restrictions and other adverse political, social or diplomatic developments that could affect investments in these nations. The risks of investing in securities of non-European issuers may include less publicly available information, less governmental regulation and supervision of non-European stock exchanges, brokers and issuers, a lack of uniform accounting, auditing and financial reporting standards, practices and requirements, the possibility of expropriation, nationalization, confiscatory taxation, adverse changes in investment or exchange control regulations, political instability, restrictions on the flow of international capital and difficulty in obtaining and enforcing judgments against non-European entities. Securities of some non-European issuers are less liquid and their prices more volatile than the securities of European companies. In addition, the time period for settlement of transactions in non-European securities may be longer than for European securities.

Because the securities held by the Sub-fund often will be denominated in currencies other than the Euro, changes in foreign currency exchange rates may adversely affect the Euro value of the Sub-fund's investments including the value of securities held by the Sub-fund, dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains, if any, available for distribution to Shareholders.

#### Temporary defensive position

The equity Sub-fund may significantly deviate from its investment policy as a temporary defensive strategy. A defensive strategy will be employed only if, in the judgment of the Investment Manager, investments in a Sub-fund's usual markets or types of securities become decidedly unattractive because of current or anticipated adverse economic, financial, political and social factors. Generally, the Sub-fund will remain fully invested, and the Investment Manager will not attempt to time the market. However, if a significant adverse market action is anticipated, investment-grade debt securities may be held without limit as a temporary defensive measure. Normally, the Sub-fund does not purchase any stocks with a view to quick turnover for gains. At such time as the Investment Manager determines that Sub-fund's defensive strategy is no longer warranted, the Investment Manager will adjust the Sub-fund back to its normal complement of securities as soon as practicable. When the Sub-fund is invested defensively, it may not meet its investment objective.

#### 4.3.2 Investment in emerging markets

##### Country allocation risks

Certain of the Emerging Market Countries have in the past failed to recognize private property rights and have at times nationalized and expropriated the assets of private companies. Investments in emerging markets companies and sovereigns are speculative and subject to special risks. Political and economic structures in many of these countries may be in their infancy and developing rapidly. Such countries may also lack the social, political and economic characteristics of more developed countries. The currencies of Emerging Market Countries are volatile and some have experienced a steady devaluation relative to the USD or Euro, and continued devaluations adversely affect the value of a Sub-fund's assets denominated in such currencies. Many Emerging Market Countries have experienced substantial rates of inflation for many years, and continued inflation may adversely affect the economies and securities markets of such countries.

In addition, unanticipated political or social developments may affect the values of the investments of Sub-funds investing in Emerging Market Countries and the availability to the Sub-funds of additional investments in these countries. The small size, limited trading volume and relative inexperience of the securities markets in these countries may make the investments of Sub-funds' investing in such countries less liquid and more volatile than investments in more developed countries, and the Sub-funds may be required to establish special custodial or other arrangements before making investments in these countries. There may be little financial or accounting information available with respect to issuers located in these countries, and it may be difficult as a result to assess the value or prospects of an investment in such issuers.

In many foreign countries there is less government supervision and regulation of business and industry practices, stock exchanges, brokers and listed companies than in the USA and the European Union. There is an increased risk, therefore, of uninsured loss due to lost, stolen, or counterfeit stock certificates. Prior governmental approval of non-domestic investments may be required under certain circumstances in some developing countries, and the extent of foreign investment in domestic companies may be subject to limitation in other developing countries. Foreign ownership limitations also may be imposed by the charters of individual companies in developing countries to prevent, among other concerns, violation of foreign investment limitations. Repatriation of investment income, capital and proceeds of sales by foreign investors may require governmental registration and/or approval in some developing countries. Sub-funds investing in such countries could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation.

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

BI SICAV - Emerging Markets Corporate Debt and BI SICAV - New Emerging Markets Equities may invest in Russian securities.

Investments in Russian securities are exclusively made via securities listed on the "Russian Trading System" which has merged with the "Moscow Interbank Currency Exchange", creating the Moscow Exchange MICEX-RTS. The Russian Trading System was established in 1995 to consolidate separate regional securities trading floors into a unified regulated Russian securities market. It lists in particular leading Russian securities. The Russian Trading System establishes market prices for a wide range of stocks and bonds. The trading information is distributed worldwide through financial information services companies, such as Reuters and Bloomberg.

Moscow Interbank Currency Exchange serves as a basis for the nationwide system of trading in the currency, stocks and derivatives sectors of the financial market, covering Moscow and Russia's largest financial and industrial centers. Jointly with its partners the MICEX Group (the MICEX Stock Exchange, the MICEX Settlement House, the National Depository Center, regional exchanges and other), the MICEX provides settlement and clearing as well as depository services for about 1500 organisations and participants in the stock market.

#### Operating expenses

BI SICAV - Emerging Markets Corporate Debt and BI SICAV - New Emerging Markets Equities are expected to incur operating expenses that are higher than those of UCIs investing exclusively in European securities, since expenses such as custodial fees related to foreign investments are usually higher than those associated with investments in European securities. Similarly, brokerage commissions on purchases and sales of foreign securities are generally higher than on European securities.

## 5. Share Capital

The capital of the Company shall at all times be equal to the value of the net assets of the Company. The minimum capital of the Company shall be EUR 1,250,000.00.

Shares are issued without par value and must be fully paid for on subscription.

Each Share is entitled to one vote at all general meetings of the Shareholders, irrespective of its Net Asset Value and of the Sub-fund or Class to which it relates.

Shares are only available as registered Shares in non-certificated form and the share register is conclusive evidence of ownership. The Company treats the registered owner of a Share as the absolute and beneficial owner thereof.

Shares are freely transferable (with the exception that Shares may not be transferred to a Prohibited Person or a US Person). Upon issue, Shares are entitled to participate equally in the profits and dividends of the Sub-funds as well as in the liquidation proceeds of the Sub-funds. Shares issued will be evidenced by a transaction confirmation. Shares may also be held and transferred through accounts maintained with clearing systems.

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

Fractions of Shares may be issued up to 3 decimal places (truncation), the



Company being entitled to receive the adjustment. Fractions of Shares will have no voting rights but will participate in the distribution of dividends, if any, and in liquidation proceeds.

If the capital of the Company falls below two-thirds of the legal minimum, the Board of Directors must submit the question of the dissolution of the Company to a general meeting of Shareholders. The meeting does not require a quorum, and decisions are taken by simple majority. If the capital falls below one quarter of the legal minimum, a decision regarding the dissolution of the Company may be passed by Shareholders present or represented holding one quarter of the Shares at the meeting. The meeting must be convened not later than 40 days from the day on which it appears that the capital has fallen below two-thirds or one-quarter of the minimum capital, as the case may be.

#### Share Class definition

The Board of Directors may decide to issue Shares in different classes (a "Class"). Such Classes may be differentiated by specific sales and redemption charge structure, fee structure, minimum investment and/or holding amount, distribution policy, reference currency, category of Investors, marketing country or other specificity which shall be described in further details, when issued.

Within a specific Sub-fund, the amounts invested in the various Classes are invested in a common underlying portfolio of investments.

It appears in the presentation of each Sub-fund which Classes are available in the respective Sub-fund.

Where explicitly mentioned in the Sub-fund related part of the Chapter 3. ("The Company offers the following Sub-funds"), of the Prospectus, the Company enters into certain currency related transactions in order to hedge the exchange rate risk between the Base Currency of such Sub-fund and the currency in which Shares of such share Class are designated. Any financial instruments used to implement such strategies with respect to one or more Class (es) shall be assets and liabilities of a Sub-fund as a whole but will be

attributable to the relevant Class and the gains and losses on and the costs of the relevant financial instrument will accrue solely to the relevant Class.

Transactions will be clearly attributable to a specific Class, therefore any currency exposure of a Class may not be combined with, or offset against, that of any other Class of a Sub-fund. The currency exposure of the assets attributable to a Class may not be allocated to other Class.

Where there is more than one hedged Class in a Sub-fund denominated in the same currency and it is intended to hedge the foreign currency exposure of such Classes into another currency, the Sub-fund may aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such hedged Class in the relevant Sub-fund.

Where the Company seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not fall short of the permitted levels outlined above and are not carried forward from month to month.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move directionally with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against Base Currency or the currency in which the assets of the particular Sub-fund are denominated.

## 6. Share Dealing

The Board of Directors emphasises that

- all Investors / Shareholders are bound to place their subscription, conversion or redemption order(s) before the applicable Cut-off Time for transactions in the Company's Shares; when doing so, orders are being placed for execution on the basis of still unknown prices (no "late trading"),

The Board of Directors further emphasises that

- the repeated purchase, conversion and sale of Shares designed to take advantage of pricing inefficiencies in the Sub-funds, also known as "market timing", may disrupt portfolio investment strategies and increase the Sub-funds' expenses and adversely affect the interests of the Sub-funds' long term Shareholders. The Sub-funds are not intended for market timing and excessive short term trading,
- to prevent such practice, the Company and its duly appointed agents reserve the right, in case of reasonable doubt and whenever an investment is suspected to be related to market timing, to suspend, revoke or cancel any subscription, conversion or redemption order placed by Shareholders who have been identified as frequently trading in and out of a particular Sub-fund.

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

Accordingly, if the Company determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's subscription, conversion or redemption orders and take any action or measures as appropriate or necessary to protect the Company and its Shareholders.

#### Subscription for Shares

The Board of Directors shall be authorised, without limitation and at any time, to issue additional Shares for all Sub-funds without granting existing Shareholders a preferential right to subscribe for the Shares.

The minimum initial investment amount and minimum subsequent investment amount in a single Sub-fund / Class is set out in the presentation of each Sub-fund.

Initial subscription for Shares must be made by forwarding a duly completed subscription form by letter or by facsimile to the Registrar and Transfer Agent, either directly or through any Sub-distributor duly appointed by the Principal Distributor.

Subsequent subscription for Shares may be made either

- on the subscription form or
- by letter or facsimile addressed to the Registrar and Transfer Agent .

The Registrar and Transfer Agent reserve in all cases its discretionary right to reject any subscription, in whole or in part on behalf of the Company.

If the Company determines that it would be detrimental to the existing Shareholders to accept a subscription for Shares in a Sub-fund that represents more than ten (10) per cent of the net assets of the Sub-fund, then it may postpone the acceptance of such subscription and, in consultation with the incoming Shareholder, may require him to stagger his proposed subscription over an agreed period of time.

All subscription orders are deemed to be final and conclusive for the Company and are executed at the entire risk of the Investor. The Company does not accept third party payments.

Joint subscribers must both sign the Subscription Form unless a power of attorney, in a form acceptable to the Registrar and Transfer Agent, is provided.

Shares will be issued on any Trading Day at a subscription price equal to the sum of the applicable Net Asset Value per Share "Subscription Price").

A Subscription Fee may be charged to Investors upon subscription for Shares. The maximum Subscription Fee permitted is stated in the presentation of each Sub-fund. Such Subscription Fee will be paid to the Principal Distributor or the respective Sub-distributor or sales agent.

If a subscription order is received by the Registrar and Transfer Agent before 13:00 CET on a Trading Day, the subscription order will be processed on the basis of the Subscription Price calculated for that Trading Day. If a subscription order is received after 13:00 CET the subscription order will be processed on the first following Trading Day.

Subscription may be made for Shares denominated either in the Base Currency of the relevant Sub-fund or in the currency of the relevant Class.

Upon subscription, all Shares shall be allotted immediately after the payment for the Shares subscribed has been made readily available to the Company for the relevant Trading Day at the latest.

If timely payment for Shares is not made (or a completed Subscription Form is not received for an initial subscription), the relevant issue of Shares may be cancelled, and the Investor/subscriber may be required to compensate the

Company, the Principal Distributor and/or any relevant Sub-distributor for any loss incurred in relation to such cancellation.

For subscriptions made by approved Institutional Investors or other Investors authorised by the Principal Distributor the allotment of Shares is conditional upon settlement within a previously agreed period of 3 (three) settlement days from the relevant Trading Day. If timely payment has not been received within the settlement period, the subscription may lapse and be cancelled at the cost of the Investor or the Investor's financial intermediary. Failure to make payment on the agreed payment date may result in the Company bringing an action against the defaulting Investor or the Investor's financial intermediary or deducting any costs or losses incurred by the Company or the Registrar and Transfer Agent against any existing holding of the Investor in the Company. In all cases, any confirmation of transaction and any money returnable to the Investor will be held by the Registrar and Transfer Agent without payment of interest pending receipt of the remittance.

Payments should preferably be made by bank transfer and in the Base Currency of the relevant Sub-fund or in the reference currency of the relevant Class; if payment is made in another currency than the Base Currency of the relevant Sub-fund or the reference currency of the relevant Class, the Depositary will make an exchange transaction at market conditions at the expense of the Investor before execution of the subscription can be made. This exchange transaction could lead to a postponement of the allotment of Shares.

The Board of Directors may from time to time accept subscription for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-fund pursuant to its investment policy and restrictions. Any such contribution in kind will be made at the net asset value of the assets contributed and calculated in accordance with the rules set out in Chapter 9. ("Net Asset Value") and will be the subject of an auditor's report drawn up in accordance with the requirements of Luxembourg law. Should the Company not receive good title on the assets contributed this may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or its agents against any existing holding in the Company of the respective applicant.

The issue of Shares of any Class of any Sub-fund shall be suspended when the calculation of the Net Asset Value thereof is suspended.

The Board of Directors may also decide that some Sub-funds shall only be open for subscription during the initial subscription period. After the expiration of such initial subscription period, there shall be no further issue of Shares.

The Company may, at any time and from time to time and in its absolute discretion without liability and without notice, discontinue the issue and sale of Shares in the Sub-funds.

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

Shareholders will be given a personal account number (the "Account Number") on acceptance of their initial subscription, and this, together with the Shareholder's personal details, is proof of their identity to the Company. The Account Number should be used by the Shareholder for all future dealings with the Company, the Registrar and Transfer Agent, and any Sub-distributor (as appointed from time to time).

Any changes to the Shareholder's personal details or loss of Account Number must be notified immediately either to the Registrar and Transfer Agent, and/or to the relevant Sub-distributor (if any), who will, if necessary, inform the Registrar and Transfer Agent. Failure to do so may result in the delay of an application for redemption. The Registrar and Transfer Agent is authorised to require an indemnity or other verification of title or claim to title countersigned by a bank or other party acceptable to it before accepting such changes.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest, except if the anti-money laundering documentation has not been filed.

No Shares will be issued by the Company with respect to a particular Sub-fund during any period in which the determination of the Net Asset Value of the relevant Sub-fund is suspended by the Company as indicated in Chapter 9. ("Net Asset Value").

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

the Shareholder to exercise certain shareholder rights directly against the Company. Shareholders are advised to take advice on their rights.

#### Redemption of Shares

Any Shareholder has the right to request, at any time, that the Company repurchases any or all of its Shares on the basis of their Net Asset Value.

A redemption order will only be executed after the identity of the Shareholder and/or the beneficial owner has been established to the complete satisfaction of the Registrar and Transfer Agent. Payment will only be made to the respective Shareholder. The Company will not execute third party payments.

Shareholders should note that any redemption of Shares by the Company will take place at a price that may be higher or lower than the original acquisition amount.

There is no minimum amount relating to redemption orders in a single Sub-fund or Class as long as the minimum holding amount set out in the presentation of each Sub-fund is respected. If a redemption order relates to a partial redemption of an existing holding of Shares and the remaining balance will fall below the minimum requirement as set out in the presentation of each individual Sub-fund, the Company is not bound to comply with such an order.

Shareholders wishing to have any or all of their Shares redeemed shall deliver an irrevocable, written and duly signed redemption order specifying the name, address and account identification of the Shareholder(s), the name of the Sub-fund, the Class and the number of Shares or an amount to be redeemed as well as payment details for the redemption proceeds (name of bank, bank identification number, ISIN account number and name of the account holder(s) to the Registrar and Transfer Agent. Please note that the Company will not execute third party payments. Failure to provide any of the aforementioned information may result in a delay of the transaction whilst verification is being sought from the Shareholder.

If a redemption order is received by the Registrar and Transfer Agent before 13:00 CET on a Trading Day, the redemption order will be processed on the basis of the Redemption Price calculated for that Trading Day. If the redemption order is received after 13:00 CET the redemption order will be processed on the first following Trading Day.

Neither the Company nor the Registrar and Transfer Agent or the Management Company are responsible for any delays or charges incurred at any receiving bank or settlement system.

All redemption orders will be processed strictly in the order in which they are received, and each redemption order shall be processed on the basis of the Net Asset Value of the respective Shares.

Shares will be redeemed in whole or in part on any Trading Day at a redemption price calculated on the basis of the Net Asset Value per Share as determined for such Trading Day (the "Redemption Price").

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

On payment of the redemption proceeds, the corresponding Shares will be cancelled immediately in the Company's Share register. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are redeemed will be charged. The Company shall at all times, for and on behalf of the relevant Sub-fund, maintain sufficient liquidity to satisfy any redemption orders for Shares.

The redemption of Shares of any Class of any Sub-fund shall be suspended when the calculation of the Net Asset Value thereof is suspended.

If orders for redemption and/or conversion on any Trading Day exceed 10% of a Sub-fund's outstanding Shares, the Company reserves the right not to be bound to redeem and/or convert on any one Trading Day more than 10% of the Shares then in issue. In these circumstances and provided that the Net Asset Value is calculated on each Business Day, the Board of Directors may in its sole and absolute discretion and without liability (and in the reasonable opinion of the Company that to do so is in the best interest of the remaining Shareholders) scale down each order, on a pro rata basis, with respect to such Trading Day so that no more than 10% of the outstanding Shares will be redeemed or converted on such Trading Day. The Shares being redeemed or converted will be priced on the basis of the Net Asset Value determined for the Trading Day the Shares are redeemed and/or converted. On any Trading Day such Shares will be dealt with before any subsequent orders for redemption and/or conversion.

A transaction statement will be sent to the Shareholder (or his nominated agent if so requested by the Shareholder) by ordinary post as soon as reasonably practicable after the relevant Trading Day, providing full details of the transaction. Shareholders should always check this statement to ensure that the transaction has been accurately recorded. In calculating the redemption proceeds, the Company will round down to the nearest second decimal place in the Base Currency of the respective Class, the Company being entitled to receive the adjustment.

#### Compulsory redemption of Shares

If the Company and/or the Registrar and Transfer Agent discovers at any time that Shares are owned by a Prohibited Person, a US Person or a non-institutional Investor (if applicable), either alone or in conjunction with any other person, whether directly or indirectly, the Company and/or the Registrar and Transfer Agent may at its sole discretion and without liability, compulsorily redeem the Shares at the Redemption Price as described above after giving notice of at least thirty (30) days, and upon redemption, the Prohibited Person, the US Person or the non-institutional Investor (if applicable) will cease to be the owner of those Shares. The Company may require any Shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person, a US Person or an Institutional Investor (if applicable).

#### Conversion of Shares

Any Shareholder has the right to request, at any time, that the Company converts any or all of its Shares on the basis of their respective Net Asset Value per Share subject to the following restrictions:

Classes of Shares intended for all Investors may not be converted into Classes of Shares intended for Institutional Investors; and  
Classes of Shares intended for Institutional Investors may be converted into Classes of Shares intended for all Investors.

There is no minimum amount relating to conversion orders in a single Sub-fund or Class as long as the minimum holding amount set out in the presentation of each Sub-fund is respected. If a conversion order relates to a partial conversion of an existing holding of Shares and the remaining balance will fall below the minimum requirement as set out in the presentation of each individual Sub-fund, the Company is not bound to comply with such an order.

Shareholders wishing to have any or all of their Shares converted to another Sub-fund or Class shall deliver to the Registrar and Transfer Agent an irrevocable, written and duly signed conversion order specifying the name, address and account identification of the Shareholder(s), the name and Class of the Sub-fund, the number of Shares or an amount to be converted as well as the name and Class of the Sub-fund into which the Shares shall be converted. Failure to provide any of the aforementioned information may result in a delay of the transaction whilst verification is being sought from the Shareholder.

If a conversion order is received by the Registrar and Transfer Agent before 13:00 CET on a Trading Day, the conversion order will be processed on the basis of the respective Redemption Price / Subscription Price calculated for that Trading Day. If the conversion order is received after 13:00 CET the conversion order will be processed on the first following Trading Day. Conversion will only take place on the first possible, common Trading Day for the Shares redeemed and the Shares subscribed.

All conversion orders will be processed strictly in the order in which they are received, and each conversion order shall be processed on the basis of the Net Asset Value of the respective Shares.

Should the Subscription Fee of the Sub-fund into which the Shareholders subscribe be higher than the Subscription Fee of the Sub-fund the Shareholder redeem, Shareholders may be requested to bear the difference in the Subscription Fee between the Sub-fund redeemed and the Sub-fund subscribed, conversion costs, if any, shall be borne by the Shareholder asking for the conversion.

The rate at which all or parts of the Shares in a Sub-fund are converted into Shares in a new Sub-fund is determined in accordance with the following formula:

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

where:

- A is the number of Shares to be allocated in the new Sub-fund;
- B is the number of Shares of the Sub-fund to be converted;
- C is the Net Asset Value per Share of the relevant Class of Shares of the converted Sub-fund determined on the relevant Trading Day;
- D is the actual rate of foreign exchange on the day concerned in respect of the Base Currency of the Sub-fund to be converted and the Base Currency of the new Sub-fund, and is equal to 1 in relation to conversions between Sub-funds denominated in the same Base Currency;
- E is the conversion commission percentage payable per Share (if any); and
- F is the Net Asset Value per Share of the relevant Class of Shares of the new Sub-fund determined on the relevant Trading Day, plus any taxes, commissions or other fees.

If orders for conversion and/or redemption on any Trading Day exceed 10% of a Sub-fund's outstanding Shares, the Company reserves the right not to be bound to convert and/or redeem on any one Trading Day more than 10% of the Shares then in issue. In these circumstances and provided that the Net Asset Value is calculated on each Business Day, the Board of Directors may in its sole and absolute discretion and without liability (and in the reasonable opinion of the Company that to do so is in the best interest of the remaining Shareholders) scale down each order, on a pro rata basis, with respect to such Trading Day so that no more than 10% of the outstanding Shares will be converted or redeemed on such Trading day. The Shares being converted or redeemed will be priced on the basis of the Net Asset Value determined for the Trading Day the Shares are converted and/or redeemed. On any Trading Day such Shares will be dealt with before any subsequent orders for conversion and/or redemption.

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

#### Anti-money laundering

In the context of money laundering prevention and in compliance with Luxembourg and international regulations applicable thereto, any Investor will have to establish its identity to the Company, the Registrar and Transfer Agent or to the intermediary which collects the subscription, conversion or redemption order, provided that the intermediary is located in a country that applies the recommendations of the Financial Action Task Force (FATF) – also called *Groupe d'Action Financière Internationale* (GAFI). Such identification shall be evidenced when subscribing for Shares. Redemption or transfer of Shares will only be executed after the identity of the Investor and/or the beneficial owner has been established to the complete satisfaction of the Registrar and Transfer Agent and the Company.

The Subscription Form of an Investor must be accompanied, in the case of individuals, by a copy of the Investor's passport or identification card (any such copy must be certified to be a true copy of the original by one of the following authorities: ambassador, consul, notary or police office).

In the case of legal entities, the identification requirements are more complex and depending upon the kind of entity and its legal jurisdiction. In this case the Registrar and Transfer Agent will assist the Investor with information about the kind of identification required on a case by case basis.

The identification procedure must be complied with by the Registrar and Transfer Agent (or the relevant competent agent of the Registrar and Transfer Agent).

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

Any information provided to the Registrar and Transfer Agent, the Company or the Management Company in this context is collected for anti-money laundering compliance purposes only.

## 7. Investment powers & restrictions

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

- 1) The Company, for and on behalf of each Sub-fund, will invest in:
  - a) Transferable Securities and Money Market Instruments admitted to or dealt in a Regulated Market;



- b) Transferable Securities and Money Market Instruments dealt in on another regulated market in a Member State of the European Union which operates regularly and is recognised and open to the public;
- c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another regulated market in a non-Member State of the European Union which operates regularly and is recognised and open to the public, located within any other country of Western or Eastern Europe, Asia, Oceania, the American continents or Africa;
- d) recently issued Transferable Securities and Money Market Instruments provided that:
- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under a) to c) above; and
  - such admission is secured within one year of the issue;
- e) shares or units of UCITS authorized according to the Directive and/or other UCI within the meaning of the first and second indent of Article 1(2) of the Directive, should they be situated in a Member State of the European Union or not, provided that:
- such other UCIs are authorized under the laws of, and have their registered office in, Members States of the European Union, Canada, the United States of America, Hong Kong, Japan, Switzerland and Norway;
  - the level of guaranteed protection for share- or unit-holders in such other UCIs is equivalent to that provided for share- or unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the Directive;
  - the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in shares or units of other UCITS or other UCIs;
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or in Canada, United States of America, Hong Kong, Japan, Switzerland and Norway;
- g) financial derivatives, including equivalent cash settled instruments, dealt in on a regulated market referred to under in a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consist of instruments covered by Section 1), financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest in accordance with its investment objectives as stated in its documents of incorporation;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Company's initiative;
- h) money market instruments other than those dealt in on regulated markets, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets referred to under (a), (b) or (c) above; or
  - issued or guaranteed by a credit institution subject to prudential supervision, in accordance with criteria defined by Community law, or by a credit institution that has its registered office in Canada, United States of America, Hong Kong, Japan, Switzerland and Norway; or
  - issued by other entities belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent, and provided that the issuer (i) is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000.-) and (ii) which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, (iii) is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group, or (iv) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 2) Moreover, and for each Sub-fund, the Company may:
- a) invest up to 10% of the net assets of each Sub-fund in transferable securities and money market instruments other than those referred to under Section 1) above;
- b) hold ancillary liquid assets;
- c) borrow the equivalent of up to 10% of its net assets provided that (i) such borrowings are made only on a temporary basis, or (ii) enables the acquisition of immovable property which is essential for the direct pursuit of its business. When a Sub-fund is authorized to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its assets in total. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction;
- and
- d) acquire foreign currencies by means of a back-to-back loans.
- Moreover, concerning the net assets of each Sub-fund, the following investment restrictions shall be observed by the Company in respect of each issuer:
- (a) Rules for risk spreading
- Transferable Securities and Money Market Instruments
- (1) The Company may not invest more than 10% of the net assets of each Sub-fund in Transferable Securities or Money Market Instruments issued by the same body.
- The total value of the Transferable Securities and Money Market Instruments held by each Sub-fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This restriction does not apply to deposits and OTC transactions made with financial institutions subject to prudential supervision.
- (2) The 10% limit laid down in paragraph (1) is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States of the European Union are members.
- (3) The 10% limit laid down in paragraph (1) is raised to 25% for certain debt securities issued by a credit institution whose registered office is in a Member State of the European Union and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to 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 event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that the relevant Sub-fund invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-fund's net assets.

- (4) The values mentioned in (2) and (3) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (1) above.
- (5) Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, the Company is authorised to invest up to 100% of the assets of each Sub-fund in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the European Union, its local authorities, a member of the Organisation for Economic Co-operation and Development ("OECD") or public international bodies of which one or more Member States of the European Union are members, provided that (i) these securities consist of at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Sub-fund's net assets.
- (6) Without prejudice to the limits laid down in (b) below, the limits laid down in (1) above are raised to maximum 20% for investment in shares and/or debt securities issued by the same body and when the Company's investment policy is aimed at duplicating the composition of a certain share or debt securities index, which is recognised by the CSSF and meets the following criteria:
- the index's composition is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers; and
  - the index is published in an appropriate manner.

The 20% limit is increased to 35% where that proves to be justified by exceptional conditions, in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for one single issuer.

#### Bank deposits

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

#### Derivatives

- (8) The risk exposure to a counter-party in an OTC derivative transaction may not exceed 10% of the relevant Sub-fund's net assets when the counter-party is a credit institution referred to in (f) in Section 1) above, or 5% of its net assets in the other cases.
- (9) The Company may invest, as a part of the investment policy of the relevant Sub-fund and within the limits set out in (4) and (16), in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (1) to (4), (7), (15) and (16). When the Company invests in index based financial derivative instruments, these investments do not have to be combined to the limits laid down in (1) to (4), (7), (15) and (16).
- (10) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when applying the provisions laid down in (11), (15) and (16), and when determining the risks arising on transactions in derivative instruments.
- (11) With regard to derivative instruments, the Company will ensure that the global exposure of each Sub-fund relating to derivative instruments does not exceed the total net value of its portfolio.

The risks exposure is calculated taking into account the current value of the underlying assets, the counter-party risk, future market movements and the time available to liquidate the positions.

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

- (12) The Company may not invest more than 10% of the net assets of each Sub-fund in shares or units of a single UCITS or other UCI referred to in 1) e) above.
- (13) Furthermore, investments made in UCIs other than UCITS, may not exceed, in aggregate, 30% of the net assets of the Company.
- (14) To the extent that a UCITS or UCI is composed of several sub-funds and provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties, each sub-fund shall be considered as a separate entity for the application of the limit laid down in (12) here-above.

#### Combined limits

- (15) Notwithstanding the individual limits laid down in (1), (7) and (8), the Company may not combine for each Sub-fund:
- investments in Transferable Securities or Money Market Instruments issued by;
  - deposits made with; and/or
  - exposures arising from OTC derivatives transactions undertaken with;
- a single body in excess of 20% of its net assets.
- (16) The limits set out in (1) to (4), (7) and (8) cannot be combined. Thus, investments by each Sub-fund in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with (1) to (4), (7) and (8) may not exceed a total of 35% of the net assets of the relevant Sub-fund. Companies of the same group of companies are regarded as a single body for the purpose of calculating this 35% limit.

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

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

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

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

- (19) The limits laid down in (17) and (18) are waived as regards:
- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the European Union or its local authorities;
  - Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State of the European Union;
  - Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States of the European Union are members;
  - shares held in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in securities of issuing bodies having their registered office in that state, where under the legislation of that state, such holding represents the only way in which the Company can

- invest in the securities of issuing bodies of that state and provided that the investment policy of the company complies with regulations governing risk diversification and restrictions with regard to control laid down herein.
- Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/ state where the subsidiary is located, in regard to the repurchase of the shares at the Shareholders request exclusively on its or their behalf.
- 3) Furthermore, the following restrictions will have to be complied with:
- (1) the Company may not acquire either precious metals or certificates representing them;
  - (2) the Company may not acquire real estate, except when such acquisition is essential for the direct pursuit of its business;
  - (3) the Company may not issue warrants or other instruments giving holders the right to purchase shares in the Company;
  - (4) without prejudice to the possibility of the Company to acquire debt securities and to hold bank deposits, the Company may not, for and of behalf of the Company, grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit the Company from acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in 1) e), g) and h) that are not fully paid-up;
- 4) Notwithstanding the above provisions:
- (1) the Company needs not necessarily to comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets of each Sub-fund; and
  - (2) if the limits referred to above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5) The Company has access to employ a risk-management process which enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolios of the Sub-fund(s). The Company employs a process allowing for accurate and independent assessment of the value of the OTC derivative instruments.
- 6) Information relating to the quantitative limits that apply in the risk management of the Company, to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields may be provided to investors upon request.

## 8. Special Techniques and Instruments and OTC financial derivatives

### A. OTC financial derivatives

In order to protect their assets and commitments, the Company or the Investment Manager, as the case may be, may arrange for the Sub-funds to make use of OTC financial derivatives.

The conditions and restrictions set out above in the section headed "Investment Restrictions" must be complied with.

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

The risk exposure to a counterparty generated through OTC financial derivatives must be combined when calculating counterparty risk limits referred to under Chapter 7. ("Investment powers & restrictions").

### B. Total Return Swaps and Securities Financing Transactions

The Company does neither employ total return swaps nor other techniques and instruments relating to transferable securities and money market instruments. In particular, the Company does not make use of securities financing transactions as defined in Regulation (EU) 2015/2365.

### Management of Collateral and Collateral Policy

#### General

In the context of OTC financial derivative transactions the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by the Company in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

#### Eligible Collateral

Collateral received by the Company may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF-Circulars issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (i) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (ii) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;

- (iii) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (iv) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Subfund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received. Deviating from the aforementioned diversification requirement, a Sub-fund may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, one or more of its local authorities, by any other state which is a member of the Organization for Economic Co-operation and Development ("OECD"), or a public international body to which one or more Member States of the European Union belong. Such Sub-fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the net assets of the Sub-fund concerned. A Sub-fund may accept as collateral for more than 20% of its net assets securities which are issued or guaranteed by a Member State of the European Union, one or more of its local authorities, by any other state which is a member of the OECD, or a public international body to which one or more Member States of the European Union belong.
- (v) It should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Company must consist of cash and cash equivalents, including short-term bank certificates and money market instruments.

Non-cash collateral will not be accepted.

#### Level of Collateral

The Company will determine the required level of collateral, if any, for OTC financial derivatives transactions by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

The counterparty risk resulting from OTC financial derivatives will be completely collateralized in case a minimum transfer amount of 500.000 EUR (referring to the volume of the respective transaction) is exceeded or in case the applicable counterparty limit would otherwise not be complied with.

#### Haircut Policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price

volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Company under normal and exceptional liquidity conditions.

Type of Collateral	Discount
Cash and cash equivalents, including short-term bank certificates and money market instruments	At least 0%

#### Reinvestment of Collateral

Cash collateral received by the Company can only be:

- (i) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (ii) invested in high-quality government bonds; and/or
- (iii) invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

The Sub-fund concerned may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Company on behalf of such Sub-fund to the counterparty at the conclusion of the transaction. The Sub-fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-fund.

#### C. Additional Strategies for the BI SICAV - Emerging Markets Corporate Debt (the "Emerging Markets Sub-fund")

##### Cash, short-term securities and money market instruments

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

##### Temporary Defensive Position

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

##### Concentration

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

##### Depository Receipts

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

##### Foreign Currency Futures

The Emerging Markets Sub-fund may purchase and sell futures on foreign currencies as a hedge against possible variation in foreign exchange rates. Foreign currency futures contracts are traded on boards of trade and futures exchanges. A futures contract on a foreign currency is an agreement between two (2) parties to buy and sell a specified amount of a particular currency for a particular price on a future date. To the extent that the Company or the Investment Manager, as the case may be and on behalf of the Emerging

Markets Sub-fund engages in foreign currency futures transactions, but fails to consummate its obligations under the contract, the net effect to the Emerging Markets Sub-fund would be the same as speculating in the underlying futures contract. Futures contracts entail certain risks. If the Company's or the Investment Manager's judgement about the general direction of rates or markets is wrong, the Emerging Markets Sub-fund's overall performance may be less than if no such contracts had been entered into. There may also be an imperfect correlation between movements in prices of futures contracts and the portfolio securities being hedged. In addition, the market prices of futures contracts may be affected by certain factors. If participants in the futures market elect to close out their contracts through offsetting transactions rather than to meet margin requirements, distortions in the normal relationship between the securities and futures markets could result. In addition, because margin requirements in the futures markets are less onerous than margin requirements in the cash market, increased participation by speculators in the futures market could cause temporary price distortions. Due to price distortions in the futures market and an imperfect correlation between movements in the prices of securities and movements in the prices of futures contracts, a correct forecast of market trends by the Company and the Investment Manager may still not result in a successful hedging transaction. The Emerging Markets Sub-fund could also experience losses if it could not close out its futures position because of a less liquid secondary market, and losses on futures contracts are not limited to the amount invested in the contract. The above circumstances could cause the Emerging Markets Sub-fund to lose money on the financial futures contracts and also on the value of its portfolio securities.

##### Forward Foreign Currency Transactions

The Company or the Investment Manager, as the case may be and on behalf of the Emerging Markets Sub-fund may enter into forward foreign currency contracts as a means of managing the risks associated with changes in exchange rates. A forward foreign currency contract is an agreement to exchange two currencies at a specified future date and specified amount which is set by the parties at the time of entering into the contract. The Investment Manager may use such foreign currency contracts to fix a definite price for securities they have agreed to buy or sell and may also use such contracts to hedge the Emerging Markets Sub-fund's investments against adverse exchange rate changes. The profitability of forward foreign currency transactions depends upon correctly predicting future changes in exchange rates between the two currencies. As a result, the Emerging Markets Sub-fund may incur either a gain or loss on such transactions. While forward foreign currency transactions may help reduce losses on securities denominated in a foreign currency, they may also reduce gains on such securities depending on the actual changes in the currency's exchange value relative to that of the offsetting currency involved in the transaction. The Emerging Markets Sub-fund will not enter into forward foreign currency transactions for other purposes than hedging.

##### Less Liquid Securities

The Company or the Investment Manager, as the case may be, may invest some assets of the Emerging Markets Sub-fund in less liquid securities. Less liquid securities are those securities that are less frequently traded, including restricted securities and repurchase obligations maturing in more than seven days.

##### Investment in UCITS and/or other UCIs

The Company or the Investment Manager, as the case may be and on behalf of the Emerging Markets Sub-fund may invest in units and/or shares of UCITS and/or other UCIs, which may include exchange-traded funds, as described in Chapter 7. ("Investments powers and restrictions"). Investments in UCITS and/or other UCIs may provide advantages of diversification, increased liquidity and lower transaction costs than are normally associated with direct investments in such markets; however, there may be duplicative expenses, such as management fees or custodial fees. In addition, investments in region UCITS and/or other UCIs permit investments in foreign markets that are smaller than those in which the Emerging Markets Sub-fund would ordinarily invest directly. Investments in such UCITS and/or other UCIs should enhance the geographical diversification of the Emerging Markets Sub-fund's assets, while reducing the risks associated with investing in certain smaller foreign markets.

When the Company invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Company or by any other company to which the Company is linked by common management or control or by a substantial direct or indirect holding, the Company or any other company to which the Company is linked may not charge subscription or redemption fees on account of the Company's investment in the units of other UCITS and/or other UCI.

If the Company invests a substantial proportion of its assets in other UCITS and/or UCIs it shall disclose in the Prospectus the maximum level of the management fees that may be charged to both the Company and to the other UCITS and/or UCIs in which it intends to invest. In its annual report it shall indicate the maximum proportion of management fees charged both to the Company and to the UCITS and/or other UCIs in which it invests.

##### Warrants

Warrants are securities giving the holder the right, but not the obligation, to buy the stock of an issuer at a given price (generally higher than the value of



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

#### When-Issued and Delayed Delivery Securities

From time to time, in the ordinary course of business and under the limits laid down in Chapter 7. ("Investments powers and restrictions"), the Company or the Investment Manager, as the case may be and on behalf of the Emerging Markets Sub-fund may purchase recently issued securities appropriate for the Emerging Markets Sub-fund on a "when-issued" basis, and may purchase or sell securities appropriate for the Emerging Markets Sub-fund on a "delayed delivery" basis. When-issued or delayed delivery transactions involve a commitment by the Emerging Markets Sub-fund to purchase or sell particular

securities, with payment and delivery to take place at a future date. These transactions allow the Emerging Markets Sub-fund to lock in an attractive purchase price or yield on a security the Emerging Markets Sub-fund intends to purchase. Normally, settlement occurs within one (1) month of the purchase or sale. During the period between purchase and settlement, no payment is made or received by the Emerging Markets Sub-fund and, for delayed delivery purchases, no interest accrues to the Emerging Markets Sub-fund. Because the Emerging Markets Sub-fund are required to set aside cash or liquid securities at least equal in value to its commitments to purchase when-issued or delayed delivery securities, the Management Company's or the Investment Manager's ability to manage the Emerging Markets Sub-fund's assets may be affected by such commitments. The Company or the Investment Manager, as the case may be and on behalf of the Emerging Markets Sub-fund will only make commitments to purchase securities on a when-issued or delayed delivery basis with the intention of actually acquiring the securities, but it reserves the right to sell them before the settlement date if it is deemed advisable.

## 9. Net Asset Value

The Net Asset Value of Shares of each Class of each Sub-fund will be calculated in the Base Currency of the respective Sub-fund.

The Sub-funds are valued for each Trading Day and the Net Asset Value per Share of each Class of each Sub-fund is released on the first Business Day following the Trading Day at 09:00 CET.

The Net Asset Value of each Class of each Sub-fund shall be determined by the Central Administration by dividing the net assets of the Sub-fund attributable to that Class by the number of outstanding Shares of the relevant Class. The Net Asset value per Share shall be determined in the Base Currency of the respective Sub-fund or in another currency.

If after the calculation of the Net Asset Value, there has been a material change in the quotations on the markets on which a substantial portion of the investments attributable to the Sub-funds are dealt or quoted, the Company may, in order to safeguard the interests of Shareholders and the Company, cancel the first valuation and carry out a second valuation prudently and in good faith.

When a Trading Day falls on a bank holiday in a market which is the principal market for a significant part of a Sub-fund's investments the Trading Day shall be the next Business Day, which is not a bank holiday in Luxembourg or in a market affecting a Sub-fund.

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

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

The assets of the Company shall be deemed to include:

- i) all cash on hand or on deposit, including any interest accrued thereon;
- ii) all bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- iii) all bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Company (provided that the Company may make adjustments in a manner not inconsistent with paragraph (a) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- iv) all stock dividends, cash dividends and cash distributions receivable by the Company to the extent information thereon is reasonably available to the Company;
- v) all interest accrued on any interest bearing assets owned by the Company except to the extent that the same is included or reflected in the principal amount of such asset;
- vi) the preliminary expenses of the Company, including the cost of issuing and distributing Shares of the Company, insofar as the same have not been written off;
- vii) the liquidating value of all forward contracts and all call or put options the Company has an open position in;

- viii) all other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- b) securities listed on a recognised stock exchange or dealt on any other regulated market will be valued at their latest available prices, or, in the event that there should be several such markets, on the basis of their latest available prices on the main market for the relevant security;
- c) in the event that the latest available price does not, in the opinion of the Company, truly reflect the fair market value of the relevant securities, the value of such securities will be defined by the Company based on the reasonably foreseeable sales proceeds determined prudently and in good faith;
- d) securities not listed or traded on a stock exchange or not dealt on another regulated market will be valued on the basis of the probable sales proceeds determined prudently and in good faith by the Company; and the liquidating value of futures, forward or options contracts not traded on exchanges or on other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other regulated markets shall be based upon the last available settlement prices of these contracts on exchanges and regulated markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Company may deem fair and reasonable. All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Company;
- e) the Net Asset Value per Share may be determined by using an amortised cost method for all investments with a known short-term maturity date (i.e. maturity of less than three (3) months). This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price the relevant Sub-fund would receive if it sold the investment. The Company will continually assess this method of valuation and recommend changes, where necessary, to ensure that the Sub-fund's investments will be valued at their fair value as determined in good faith by the Company. If the Company believes that a deviation from the amortised cost per share may result in material dilution or other unfair results to shareholders, the Company shall

take such corrective action, if any, as it deems appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;

the Sub-funds shall, in principle, keep in their portfolio the investments determined by the amortisation cost method until their respective maturity date;

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

Any assets held in the Sub-funds not expressed in the Base Currency will be translated into the Base Currency at the last available rate of exchange prevailing in a recognised market for the relevant Trading Day.

The liabilities of the Company shall be deemed to include:

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

The net assets of the Company are at any time equal to the total of the net assets of the Sub-funds.

In case of flows in and out of the Sub-funds, the Investment Manager in most cases needs to perform trades in order to uphold the desired asset allocation. A Sub-fund may suffer a reduction in value as a result of the costs incurred in the trading in the Sub-fund's investments caused by subscriptions,

redemptions and/or conversions.

#### Swing Pricing

Acting in the Shareholders' interest, the Net Asset Value per Share of a Sub-fund may be adjusted if on any Trading Day and taking into account the prevailing market conditions the level of subscriptions, redemptions and conversions requested by Shareholders in relation to the size of the respective Sub-fund exceeds a threshold set by the Board of Directors from time to time for that Sub-fund (relating to the cost of market dealing for that Sub-fund). Such adjustment (also known as "Swing Pricing"), as determined by the Board of Directors at their discretion, may reflect both the estimated fiscal charges and dealing costs (brokerage and transaction costs) that may be incurred by the Sub-fund and the estimated bid/offer spread of the assets in which the respective Sub-fund invests. The adjustment, if any, will be limited to 2% of the relevant Sub-fund's Net Asset Value and will be an addition when the net movement results in an increase of the Net Asset Value of the respective Sub-fund and a deduction when it results in a decrease.

#### Temporary suspension of determination of Net Asset Value per Share and issue, conversion or redemption of Shares

The Directors of the Company may suspend the determination of the Net Asset Value per Share of the Sub-funds and the issue or redemption of Shares in the following circumstances:

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

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

No Shares will be issued, converted or redeemed by the Company with respect to a particular Sub-fund during any period in which the determination of the Net Asset Value of the relevant Sub-fund is suspended by the Company

Notice of suspension of the calculation of the Net Asset Value and the issue, conversion or redemption of the respective Shares, will be given to Shareholders when the suspension in the best opinion of the Board of Directors will exceed 5 foreseen Trading Days. Orders for subscription, conversion or redemption made or pending during a suspension period may be withdrawn by notice in writing and shall be received by the Registrar & Transfer Agent prior to the end of the suspension period. Orders for subscription, conversion or redemption not withdrawn will be processed on the first Trading Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined for such Trading Day.

If required, notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper and in any other newspaper(s) selected by the Directors of the Company, as well as in the official publications specified for the respective countries in which Shares are sold. The Luxembourg regulatory authority, and the relevant authorities of any Member States of the European Union in which Shares of the Company are marketed, will be informed of any such suspension. Notice will likewise be given to any Investor or Shareholder, as the case may be, applying for subscription or redemption of Shares in the relevant Sub-fund.

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

The information about the Net Asset Value per Share of each Class of each



Sub-fund will be available at all times at the Registrar and Transfer Agent, the Principal Distributor, the representatives and the paying agents.

The Company may arrange for the publication of the Net Asset Value per Share of each Class of each Sub-fund at the discretion of the Directors in

leading financial newspapers.

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

## 10. Taxation

### General

The following summary is based on the law and practice applicable in the Grand-Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. Investors should inform themselves of, and when appropriate, consult their professional advisors with regards to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

It is expected that Shareholders will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with a Shareholder's personal circumstances. Shareholders should be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in this Section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Corporate Shareholders may further be subject to net wealth tax (*impôt sur la fortune*), as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply in addition.

### 10.1 The Company

Under current law and practice, the Company is not liable to any Luxembourg income or net wealth tax, nor are dividends paid by the Company and distribution of liquidation proceeds 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 net asset value of the respective Class at the end of the relevant quarter. These costs are included in the Net Asset Value and in the TER.

A reduced tax rate of 0.01 per cent per annum of the net assets will be applicable to:

- undertakings whose sole object is the collective investment in money market instruments and in deposits with credit institutions;
- undertakings whose sole object is the collective investment in deposits with credit institutions;
- individual compartments of UCIs with multiple compartments as well as to individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

The aforementioned tax is not applicable for:

- the value of the assets represented by units held in other UCIs, to the extent such units have already been subject to the subscription tax provided for by Article 174 of the UCI Law or by Article 68 of the amended law of 13 February 2007 on specialised investment funds ("SIFs") or by Article 46 of the law of 23 July 2016 on reserved alternative investment funds ("RAIFs");
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in money market instruments and in deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days and (iii) that have obtained the highest possible

rating from a recognised rating agency.

Where several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors;

- UCIs whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles, set up on one or more employers' initiative for the benefit of their employees and (ii) companies of one or several employers investing funds they hold, to provide retirement benefits to their employees.
- UCIs as well as individual compartments of UCIs with multiple compartments which invest for more than 50% in one or many microfinance institutions or which have been granted the Luxembourg Fund Labelling Agency microfinance label;
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market, operating regularly, recognised and open to the public, and (ii) whose sole object is to replicate the performance of one or more indices.

If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition sub-point (i).

No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the Company except a one-off tax of EUR 1.250,- which was paid upon incorporation. Any amendments to the Articles of Incorporation are as a rule subject to a fixed registration duty of EUR 75,-.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Company. Although the Company's realised capital gains, whether short term or long term, are not expected to become taxable in another country, Shareholders must be aware and recognise that such a possibility is not totally excluded. The regular income of the Company from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates. As the Company itself is exempt from income tax, withholding and other taxes levied at source, if any, are not recoverable in Luxembourg. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis. As the Company is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly apply to the Company.

### 10.2 Shareholders

#### Luxembourg Tax Residency

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance or enforcement of its rights thereunder.

#### Income Tax - Luxembourg Residents

Luxembourg resident Shareholders are not liable to any Luxembourg income tax on reimbursement of the share capital contributed to the Company.

#### Luxembourg Resident individuals Shareholders

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rate.

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual Shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the share capital of the Company or (ii) the Shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive

transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (*i.e.* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

#### Luxembourg Resident corporate Shareholders

Luxembourg resident corporate Shareholders (*sociétés de capitaux*) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. The same inclusion applies to individual Shareholders acting in the course of the management of a professional or business undertaking, who are Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### Luxembourg Residents Benefiting from a Special Tax Regime

Luxembourg resident corporate Shareholders which benefit from a special tax regime, such as (i) UCIs governed by the UCI Law, (ii) SIFs governed by the amended law of 13 February 2007, (iii) family wealth management companies governed by the amended law of 11 May 2007, and (iv) RAIFs governed by the law of 23 July 2016 and treated as a SIF for Luxembourg tax purposes are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

#### Income Tax - Luxembourg Non-residents

Shareholders, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable are generally not subject to any income tax on income received and capital gains realised upon the sale, disposal or redemption of the Shares in Luxembourg.

Corporate Shareholders which are non-residents of Luxembourg but which have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Investors should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Shares under the laws of their countries of citizenship, residence or domicile.

#### 10.3 Net wealth tax

Luxembourg resident Shareholders, and non-resident Shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the UCI Law, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a SIF governed by the amended law of 13 February 2007, (vi) a family wealth management company governed by the amended law of 11 May 2007, (vii) a professional pension institution governed by the amended law of 13 July 2005, or (viii) a RAIF governed by the law of 23 July 2016.

However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law dated 13 July 2005, and (iv) a RAIF governed by the law of 23 July 2016 and treated as a venture capital vehicle for Luxembourg tax purposes remains subject to minimum net wealth tax.

#### 10.4 Value added tax

As per current Luxembourg legislation, regulated investment funds, such as SICAVs, have the status of taxable persons for value added tax ("VAT") purposes. Accordingly, the Company is considered in Luxembourg as a taxable person without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its Shareholders, to the extent that such payments are linked to their subscription to the Company's Shares and do not constitute the consideration received for taxable services supplied.

#### 10.5 Other taxes

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his/her taxable basis for inheritance tax purposes. On the contrary, no estate or inheritance tax is levied on the transfer of Shares upon death of an individual Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his/her death.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

#### 10.6 Exchange of information

##### FATCA

Capitalised terms used in this section should have the meaning as set forth in the IGA (as defined below), unless provided otherwise herein.

As part of the process of implementing FATCA, Luxembourg has entered into an intergovernmental agreement implemented by the Luxembourg law dated 24 July 2015 (the "IGA") which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by U.S. Specified Persons and non-U.S. financial institutions that do not comply with FATCA and, if any, to the competent authorities.

Being established in Luxembourg, the Company is likely to be treated as a Foreign Financial Institution.

This status includes the obligation for the Company to regularly obtain and verify information on all of its Shareholders. Upon request of the Company, each Shareholder shall agree to provide certain information, including, in case of a Non-Financial Foreign Entity ("NFFE"), the direct or indirect owners above a certain threshold of ownership of such NFFE, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Company within thirty days any information like for instance a new mailing address or a new residency address that would affect its status.

FATCA and the IGA may result in the obligation for the Company to disclose the name, address and taxpayer identification number (if available) of the Shareholder as well as information like account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities under the terms of the IGA. Such information will be onward reported by the Luxembourg tax authorities to the U.S. IRS.

Additionally, the Company is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the amended Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses. A failure for the Company to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income and on proceeds from the sale of property or other assets that could give rise to U.S. source interest and dividends as well as penalties.

Any Shareholder that fails to comply with the Company's documentation requests may be charged with any taxes and/or penalties imposed on the Company attributable to such Shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

##### Common Reporting Standards

Capitalised terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

On 9 December 2014, the Council of the European Union adopted the

Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States ("DAC Directive"). The adoption of the aforementioned directive implements the OECD's CRS and generalises the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The CRS Law implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law.

Under the terms of the CRS Law, the Company may be required to annually report to the Luxembourg tax authorities the name, address, Member State(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an Account Holder, ii) and, in the case of a Passive NFE, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the Luxembourg tax authorities to foreign tax authorities.

Additionally, the Company is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data

obtained by the Company are to be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the information, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder shall agree to provide the Company such information.

Although the Company will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a fine or penalty as result of the CRS Law, the value of the Shares held by the Shareholders may suffer material losses.

Any Shareholder that fails to comply with the Company's documentation requests may be charged with any fines and penalties imposed on the Company and attributable to such Shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

## 11. Management & Administration

The Directors, whose names appear in Chapter 24. ("Board of Directors") members of the Board of Directors, are responsible for the information contained in this Prospectus. They have taken all reasonable care to ensure that at the date of this Prospectus the information contained herein is accurate and complete in all material respects. The Directors accept their responsibility accordingly.

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

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

### The Management Company

The Company has appointed by a management company services agreement dated 27 February 2014 Lemanik Asset Management S.A. as its designated Management Company. Further, the Company and the Management Company entered into a compliance monitoring services agreement dated 27 February 2014.

The Management Company, having its registered office at 106, route d'Arlon, L-8210 Mamer, is incorporated in the form of a société anonyme and is registered with the Luxembourg Trade and Companies Register under number B 44870.

As of the date of this Prospectus, the Management Company's board of directors consists of the following members:

Chairman:

- Mr. Gianluigi SAGRAMOSO

Directors:

- Mr. Carlo SAGRAMOSO
- Mr. Philippe MELONI

The Management Company is approved as management company regulated by chapter 15 of the UCI Law. The Management Company has a subscribed and paid-up capital of 2,000,000 Euro (EUR two million).

The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request.

According to the above-mentioned agreements the Management Company shall in particular be responsible for the following duties:

- portfolio management of the Sub-funds;
- central administration, including inter alia, the calculation of the Net Asset Value, the procedure of registration, conversion and redemption of Shares and the general administration of the Company;
- compliance monitoring services, including inter alia, the monitoring of investment restrictions applicable to the Sub-funds on a post-trade basis; and
- distribution and marketing of the Shares.

The rights and duties of the Management Company are governed by the UCI Law and the management company services agreement entered into for an unlimited period of time. This agreement may be terminated by either party upon three (3) months' prior written notice.

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

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

Details of the Management Company's remuneration policy (the "**Remuneration Policy**"), including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [http://www.lemanikgroup.com/management-company-service\\_substance\\_governance.cfm](http://www.lemanikgroup.com/management-company-service_substance_governance.cfm)

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

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

In particular, the Remuneration Policy will ensure that:

- a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

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

- a) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the Shareholders in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- b) if at any point of time, the management of the Company were to account for 50 % or more of the total portfolio managed by the delegate, at least 50 % of any variable remuneration component will have to consist of Shares,



equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (b); and  
 c) a substantial portion, and in any event at least 40 % of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Company.

#### The Investment Manager

Pursuant to an investment management agreement dated 27 February 2014, BI Asset Management Fondsmæglerselskab A/S was appointed as Investment Manager to assist the Management Company with the management of the assets of the Sub-funds. BI Asset Management Fondsmæglerselskab A/S was incorporated under the laws of Denmark and is regulated in Denmark by the Danish Financial Supervisory Authority and has a paid-up capital of sixty-five million Danish Kroner (DKK 65,000,000-) and acts, as principal activity, as an asset manager in accordance with the law on financial activities pursuant to the company's authorisation. BI Asset Management Fondsmæglerselskab A/S is also appointed Principal Distributor as mentioned below.

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

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

#### The Depositary, the Listing Agent, the Central Administration and the Registrar and Transfer Agent

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

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

in accordance with the UCI Law, and the Depositary Bank and Principal Paying Agent Agreement dated 20 September 2016 (effective as of 18 March 2016) and entered into between the Company and RBC (the "Depositary Bank and Principal Paying Agent Agreement").

RBC Investor Services Bank S.A. is registered with the Luxembourg Trade and Companies Register under number B 47.192 and was incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2017 amounted to approximately EUR 1,120,326,088.-.

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

An up to date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary or via the following website link: <https://apps.rbcits.com/RFP/gmi/updates/Appointed%20subcustodians.pdf>.

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

Under its oversight duties, the Depositary will:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the UCI Law and with the Articles of Incorporation,
- ensure that the value of Shares is calculated in accordance with the UCI Law and the Articles of Incorporation,
- carry out the instructions of the Company or of the Management Company acting on behalf of the Company, unless they conflict with the UCI Law or the Articles of Incorporation,
- ensure that in transactions involving the Company's assets, the

consideration is remitted to the Company within the usual time limits,

- ensure that the income of the Company is applied in accordance with the UCI Law and the Articles of Incorporation.

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

#### Depositary's conflicts of interests

From time to time conflicts of interests may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. On an ongoing basis, the Depositary analyzes, based on applicable laws and regulations any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with RBC's conflicts of interests policy which is subject to applicable laws and regulations for a credit institution according to and under the terms of the Luxembourg law of 5 April 1993 on the financial services sector.

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

RBC has implemented and maintains a management of conflicts of interests policy, aiming namely at:

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

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

An up to date information on conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link: [https://www.rbcits.com/AboutUs/CorporateGovernance/p\\_InformationOnConflictsOfInterestPolicy.aspx](https://www.rbcits.com/AboutUs/CorporateGovernance/p_InformationOnConflictsOfInterestPolicy.aspx).

RBC Investor Services Bank S.A. was further appointed as the Company's listing agent (in such capacity the "Listing Agent"), as the Company's central administrative agent (in such capacity, the "Central Administration") and its registrar and transfer agent (in such capacity, the "Registrar and Transfer Agent").

In its capacity as Central Administration, RBC Investor Services Bank S.A. is responsible for the central administration of the Company and in particular for the determination of the Net Asset Value of the Shares and for the maintenance of accounting records.

In its capacity as Registrar and Transfer Agent, RBC Investor Services Bank S.A. is responsible for the issue, redemption, cancellation and transfer of the Shares of the Company and for the keeping of the register of Shareholders.

RBC Investor Services Bank S.A. also acts as listing agent for the listing of the Shares of the Sub-funds on the Luxembourg Stock Exchange.

#### The Principal Distributor

Pursuant to a distribution agreement dated 27 February 2014 BI Asset Management Fondsmæglerselskab A/S was appointed as Principal Distributor to assist the Management Company with the distribution of the Shares of each Sub-fund.

BI Asset Management Fondsmæglerselskab A/S was incorporated under the laws of Denmark and is regulated in Denmark by the Danish Financial Supervisory Authority and has a paid-up capital of sixty-five million Danish Kroner (DKK 65,000,000) and acts, as principal activity, as an asset manager in accordance with the law on financial activities pursuant to the company's authorisation. BI Asset Management Fondsmæglerselskab A/S is also appointed Investment Manager as mentioned above.

Pursuant to the distribution agreement mentioned above, the Management Company has expressly delegated the marketing, the distribution and the promotion of the Company's Shares to the Principal Distributor, it being however understood that all subscription, redemption or conversion requests will be communicated directly by the Investor or any Sub-distributor to the Registrar and Transfer Agent.

The aforementioned distribution agreement gives the Principal Distributor the discretion to delegate, at its own expense and under its own responsibility, the marketing, the distribution and the promotion of each Sub-fund's Shares to Sub-distributors which are duly qualified securities dealers or financial institutions.

## 12. Dissolution & liquidation of the Company

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

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

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

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

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

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

### Termination of a Sub-fund and/or of a Class of Shares

If more than one Sub-fund and/or a Class of Shares are offered, the Directors of the Company may decide at any moment to terminate any Sub-fund and/or Class of Shares. In the case of termination of a Sub-fund, Shares will be redeemed against cash at the Net Asset Value per Share determined on the Trading Day as described in Chapter 6. ("Share Dealing").

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

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

### The Collateral Manager

Pursuant to a collateral management agreement dated (\*\*\*) State Street Bank International GmbH, Zweigniederlassung Frankfurt (the "Collateral Manager") has been appointed as Collateral Manager to assist the Company with the collateral management.

The Collateral Manager has been authorized to enter into all transactions, to sign all documents and to do all things related to the administration and transfer of collateral in connection with derivatives transactions. In particular, the Collateral Manager is empowered to:

- a) give instructions to settle and accept settlement of collateral in the name and/or for the account of the Sub-funds;
- b) make and/or fulfil claims for redelivery of collateral;
- c) to make declarations in the name or on behalf of the Sub-funds in connection with the settlement of collateral and any issues which may come up in connection therewith;
- d) make and fulfil claims for interest amounts or equivalent distributions in the name or for the account of the Sub-funds.

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

Assets which may not be distributed to their owners upon the implementation of the redemption will be deposited with the Depositary for a period of nine (9) months after the decision to liquidate the Company or a Sub-fund; after such period, the assets will be deposited with the *Caisse de Consignations* in Luxembourg on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled by the Company.

The liquidation of a Sub-fund shall not involve the liquidation of another Sub-fund. Only the liquidation of the last remaining Sub-fund of the Company involves the liquidation of the Company.

### Amalgamation, Division or Transfer of Sub-funds and/or of Classes of Shares

Under the same circumstances as provided in the second paragraph of the sub-section headed "Termination of a Sub-fund and/or of a Class of Shares" above, the Directors may decide to allocate the assets of any Sub-fund or Class of Shares to those of another existing Sub-fund or Class of Shares within the Company or to another Luxembourg or foreign undertaking for collective investment in transferable securities pursuant to Directive 2009/65/EC or to another sub-fund within such undertakings for collective investment in transferable securities (hereinafter referred to as the "new sub-fund or class of shares") and to re-designate the Classes of Shares concerned as shares of another class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described above under the sub-section headed "Termination of a Sub-fund and/or of a Class of Shares" (and, in addition, the publication will contain information in relation to the new sub-fund or class of shares), and Shareholders will have the right, during a period of thirty (30) days following such publication to request redemption of their Shares free of charge during such period.

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

A contribution of the assets and of the liabilities of any Sub-fund or Class of Shares of the Company to another undertaking for collective investment in transferable securities referred to above or to another sub-fund or class of shares within such undertaking for collective investment in transferable securities shall require a resolution of the Shareholders of the Classes of Shares issued in the Sub-fund concerned taken with fifty (50) per cent quorum requirement of the Shares in issue and adopted at two thirds majority of the Shares present or represented at such meeting.

### 13. General meetings

The annual general meeting of Shareholders will be held each year at the Registered Office or such other place in Luxembourg as may be specified in the notice of the meeting, on the fifth Business Day of April at 10:00 CET.

Shareholders of the relevant Sub-fund or Class of Shares may hold, at any time, general meetings to decide on any matters that relate exclusively to the relevant Sub-fund or Class.

Notices of all general meetings are sent by mail to all registered Shareholders

at their registered address at least eight (8) days prior to such meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at such meeting. To the extent required by Luxembourg law, further notices will be published in the RESA, in Luxembourg newspaper(s) and in a newspaper of more general circulation in those countries in which the Company is authorised for public marketing of its Shares.

### 14. Distributions

Currently only distributing Shares are offered for subscription and all Shares are entitled to payment of a dividend in case payment of a dividend is being declared.

At the annual general meeting of Shareholders of the Class or Classes issued in respect of any Sub-fund, the Shareholders shall determine, upon proposal of the Board of Directors, how the result of each Sub-fund shall be disposed of and may declare or authorize the Board of Directors to declare distribution

within the limits prescribed by the UCI Law.

For any Class or Classes of Shares entitled to distribution, the Board of Directors may decide to pay interim dividends with the conditions set forth by the UCI Law

Dividends which are not claimed within a period of five years starting from their payment date will become statute-barred for their beneficiaries and will revert to the relevant Sub-fund.

### 15. Annual & Semi-annual Reports

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

Audited Annual Reports and unaudited Semi-Annual Reports will be made available at the Registered Office, the Registrar and Transfer Agent, the representatives and the paying agents not later than 4 (four) months after the end of the financial year in the case of Annual Reports, and 2 (two) months after the first 6 (six) months of the financial year in the case of Semi-Annual Reports. Separate financial statements shall be issued for each Sub-fund in

its relevant Base Currency. To establish the balance sheet of the Company, these financial statements will be added after conversion into EUR, the accounting currency of the Company.

Audited Annual Reports will be made available for public inspection at the Registered Office at least fifteen (15) days before the annual general meeting.

### 16. Expenses borne by the Company

The Sub-funds will bear all other expenses incurred in relation with the operation of the Company which include, without limitation, taxes, expenses for legal and auditing services, fees payable to the Collateral Manager, cost of any proposed listings, maintaining such listings, Shareholders' reports, Prospectuses and KIIDs, reasonable marketing and advertising expenses, costs of preparing, translating and printing the documents of the Company in different languages, all reasonable out-of-pocket expenses of the Directors, registration fees and other expenses payable to the supervisory authorities in

any relevant jurisdiction, insurance costs, interest, brokerage costs and the costs of publication of the Net Asset Value per Share of the Sub-funds, if applicable.

The allocation of costs and expenses will be made in accordance with the Articles of Incorporation.

### 17. Luxembourg stock exchange listing

All Share Classes of all Sub-funds are listed on the Luxembourg Stock Exchange.

### 18. Payments to Shareholders

All payments from the Company to the Shareholders will be made available in the currency of the respective Shares. If a Shareholder wishes payment in another freely convertible currency than the currency of the respective Shares, the Depositary will process the necessary currency exchange at the expense of the Shareholder. Payment will only be made to the respective

Shareholder. The Depositary will effect all payment by means of a bank transfer to the registered Shareholder(s)' designated bank account. For redemption proceeds, payment may also be made by cash upon explicit demand from the Shareholder. The Depositary will charge a fee for the payment services rendered in accordance with its Charges and Commission.

### 19. Notices and information to Shareholders

Notices to Shareholders will be available at the Registered Office, the Registrar and Transfer Agent and the paying agents. If required by law, they are also published in the RESA as well as in a daily newspaper in Luxembourg

and in a newspaper of more general circulation in countries in which the Company is authorised for public marketing of its Shares. The Board of Directors determines, from time to time, in which newspaper(s) the notices



shall be published. Information about the name of these newspapers can be obtained from the Company or the Principal Distributor.

The information about the Net Asset Value of each Class of each Sub-fund will be available at all times at the Registered Office, the Registrar and Transfer Agent, the representatives and the paying agents.

## 20. Data protection

In accordance with the provisions of the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended, and local laws and regulations where applicable, the Company, as data controller, collects, stores and processes, by electronic or other means, the data supplied by Shareholders for the purpose of fulfilling the services required by the Shareholders and complying with its legal and regulatory obligations. The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Company of investors ("**Personal Data**"). The Shareholders may at his/her discretion refuse to communicate Personal Data to the Company. In this case, however, the Company may reject a request for Shares. Each Shareholder has a right to access his/her Personal Data and may ask for Personal Data to be rectified where it is inaccurate or incomplete by writing to the Company at its registered office, as indicated in the Directory.

Personal Data supplied by Shareholder is processed, in particular, for the purposes of processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors, account administration, client relationship management, performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and compliance with applicable anti-money laundering rules. Data supplied by Shareholders is also processed for the purpose of maintaining the register of Shareholders of the Company. In

addition, Personal Data may be processed for the purposes of marketing. Each investor has the right to object to the use of its Personal Data for marketing purposes by writing to the Company.

To this end, Personal Data may be transferred to affiliated and third-party entities supporting the activities of the Company which include, in particular, the Management Company, the Central Administration, the Registrar and Transfer Agent and Distributors that are located in the European Union. Personal Data may also be transferred to entities located in countries outside of the European Union and whose data protection laws may not offer an adequate level of protection. In subscribing for Shares, each investor expressly consents and agrees to the transfer and processing of his/her Personal Data to the entities referred to above, including entities located outside the European Union which may not offer an adequate level of protection. The Company may also transfer Personal Data to third-parties such as governmental or regulatory agencies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities.

Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

## 21. Documents available to Shareholders

Copies of the Articles of Incorporation may be delivered without cost to interested Investors upon their request. Copies of the following documents may be inspected free of charge during usual business hours on any week day (except on Saturday, Sunday and Luxembourg public holidays) at the Registered Office:

- the Articles of Incorporation;
- the Prospectus;
- the KIID;
- the Subscription Form;
- the periodical financial reports;
- the contract concluded between the Company and the Depositary;

- the contract concluded between the Company and the Management Company;
- the contract concluded between the Company and RBC Investor Services Bank S.A.;
- the contract concluded between the Management Company, the Central Administration, the Registrar and Transfer Agent and the Company;
- the contract concluded between the Management Company, the Investment Manager and the Company;
- the contract concluded between the Investment Manager and the Collateral Manager; and
- the contract concluded between the Management Company, the Principal Distributor and the Company.

## 22. Competent jurisdiction & applicable law

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

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

## 23. Registered Office

BI SICAV  
11-13, Boulevard de la Foire  
L – 1528 Luxembourg  
Grand Duchy of Luxembourg

## 24. Board of Directors

Ms. Malene Ehrenskjöld Director, Chairman  
Copenhagen  
Denmark

Ms. Ehrenskjöld is managing director of BI Management A/S, Denmark

Ms. Sanne Fredenslud, Director,  
Copenhagen  
Denmark

Ms. Fredenslund is director and member of the executive management team,  
BankInvest Group, Denmark.

Mr. Antonio Thomas, Director  
Luxembourg  
Grand Duchy of Luxembourg

Mr. Thomas is independent director.

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## 25. Administration

Management Company  
Lemanik Asset Management S.A.  
106, route d'Arlon  
L-8210 Mamer  
Grand Duchy of Luxembourg

Investment Manager  
BI Asset Management Fondsmæglerselskab A/S  
Sundkrogsgade 7  
DK-2100 Copenhagen  
Denmark

Depository, Listing Agent, Central Administration,  
Registrar and Transfer Agent  
RBC Investor Services Bank S.A.  
14, rue Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

Collateral Manager  
State Street Bank International GmbH, Zweigniederlassung Frankfurt  
Solmsstraße 83,  
D-60486 Frankfurt am Main  
Germany

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## 26. Legal Advisor(s)

Arendt & Medernach S.A.  
41A, avenue J.F. Kennedy  
L-2082 Luxembourg  
Grand Duchy of Luxembourg

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## 27. Auditor

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

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## 28. Public marketing authorisations

BI SICAV has applied for and obtained public marketing authorisation for its  
Shares in a number of countries across Europe.

For further details about which countries, please contact the Principal  
Distributor at the address stated below.

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## 29. Principal Distributor

BI Asset Management Fondsmæglerselskab A/S  
Sundkrogsgade 7  
DK-2100 Copenhagen  
Denmark

Telephone: +45 77 30 90 00  
Facsimile: +45 77 30 91 00

## 30. Terms &amp; definitions used in this Prospectus

Annual Report	The audited financial report for BI SICAV for a full business year.
Articles of Incorporation	The most recent version of the articles of incorporation of the Company.
Base Currency	The currency in which the Net Asset Value of a given Sub-fund is denominated / expressed.
Board of Directors	The decision making body of the Company elected by the Shareholders.
Business Day	Any full day in Luxembourg where the banks are open for business.
Central Administration	RBC Investor Services Bank S.A.
CET	Central European Time.
CHF	Swiss Franc
Class / Classes	One or more classes of Shares within a Sub-fund whose assets shall be commonly invested according to the investment policy of that Sub-fund, but where a specific sales and redemption charge structure, fee structure, minimum investment and/or holding amount, distribution policy, reference currency, category of Investors, marketing country or other specificity shall apply.
Collateral Manager	State Street Bank International GmbH, Zweigniederlassung Frankfurt
Company	BI SICAV.
Conversion Deadline	The cut-off time for receipt of a conversion request for Shares; currently 13:00 CET for all Sub-funds.
CSSF	Commission de Surveillance du Secteur Financier 110 route d'Arlon L-2991 Luxembourg Grand Duchy of Luxembourg (www.cssf.lu).  The Luxembourg authority or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg.
Cut-off Time	See Subscription Deadline, Conversion Deadline and Redemption Deadline
Depository	RBC Investor Services Bank S.A., 14, rue Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg.
Depository Fee	A fee payable to the Depository for the safe keeping of the Company' assets.
Directive	The Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended and supplemented from time to time.
Directive 78/660/EEC	The Directive 78/660/EEC of 25 July 1978 of the treaty on the annual accounts of certain types of companies, as amended.
Director	A member of the Board of Directors.
DKK	Danish Kroner.
Eligible Country	Means any developed country and / or any Emerging Market Country plus Singapore and Hong Kong.
Emerging Market Debt Issuer	Means issuers situated in an Emerging Market Country. This includes sovereign issuers or the local authorities and public international bodies of which one or more Member States are members, financial and corporate issuers having the majority of their activities in an Emerging Market Country. The debt issuer can also be situated outside an Emerging Market Country as long as the underlying risk (credit risk and/or currency risk) is equivalent to that of emerging market sovereign or corporate debt. As for synthetic bonds, the bond issuer can also be situated outside an Emerging Market Country as long as the underlying risk is linked to one or more Emerging Market Country sovereigns, credits, or currencies. The above bonds need to be admitted to or dealt in on a Regulated Market and qualify as eligible assets under article 41 of the UCI Law.
Emerging Market Country	Means an emerging market country and developing country according to the definition given by the International Monetary Fund as amended from time to time and certain other countries. This include countries in developing Asia, newly industrialized Asian economies, Central and Eastern Europe (including Czech Republic, Estonia, Slovak Republic, Slovenia), Commonwealth of Independent States, Latin America and the Caribbean, Middle East and North Africa, and Sub-Saharan Africa.
Emerging Market Currencies	Means the relevant legal currency of a specific Emerging Market Country.
EU	The European Union.
EUR	Means the currency of the Member States which form the European Monetary Union.
G7	Means the following countries: United Kingdom, United States of America, France, Italy, Japan, Germany and Canada.
GBP	Pound Sterling.
Group of Companies	Shall mean companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC on the preparation of consolidated accounts or in accordance with recognised international accounting rules.
ICVC	Means Investment Company with Variable Capital.
IMF	The International Monetary Fund
Index Derivatives	Means fixed income derivatives on (i) indices published by an entity situated in an Emerging Market Country or group of Emerging Market Countries or on (ii) indices composed by corporate issuers having their registered office or the majority of their activities in one or more Emerging Market Countries; it being understood that such indices must be sufficiently diversified, must represent an adequate benchmark to which their refer and must be published in an appropriate manner.
Institutional Investor	An undertaking or organisation that manage important funds and values such as credit institutions, professionals of the financial sector – including investment in their own name but on behalf of third parties pursuant to a discretionary management agreement - insurance and reinsurance companies, pension funds, holding companies, regional and local authorities.
Institutional Share	A Share reserved for Institutional Investors.
Investment Grade Bonds	Means bonds having a credit rating of at least "BBB-" from Standard & Poor's or Fitch or at least "Baa3" from Moody's. The above bonds need to be admitted to or dealt in on a Regulated Market and qualify as eligible assets under article 41 of the UCI Law.
Investment Management Fee	An annual fee levied on the assets of the Company, payable to the Investment Manager as remuneration for its investment management services rendered to the Company.
Investment Manager	BI Asset Management Fondsmæglerselskab A/S having its registered address in Sundkrogsgade 7, DK-2100 Copenhagen, Denmark.
Investor	A potential Shareholder.
Key Investor Information Document (the "KIID")	A KIID is available for each launched Share Class of the launched Sub-funds within the Company. The information in the KIID is required to understand the nature and the risks of investing in a Sub-fund. Investors are advised to read the KIID so they can make an informed decision about whether to invest.
Latin America Latin American	For investment purpose defined as South America, Central America, Mexico and the Caribbean.
Listing Agent	RBC Investor Services Bank S.A., 14, rue Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg
Management Company	Lemanik Asset Management S.A., having its registered address in 106, route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg.

Management Company Fee	An annual fee levied on the assets of the Company, payable to the Management Company as a remuneration for its management services rendered to the Company.
Member State	A member state of the European Union.
Mémorial	Mémorial C, Recueil des Sociétés et Associations., as replaced by RESA
Money Market Instruments	Shall mean instruments normally dealt with on the money market, which are liquid and have a value, which can be accurately determined at any time.
Net Asset Value	In relation to any Share of any Class of any Sub-fund, the value determined in accordance with the relevant provisions described under the heading "Net Asset Value" of the Prospectus.
New Emerging Market Country	Means frontier market countries, which is a subset of Emerging Market Countries. These countries are investable but have a lower market capitalization and liquidity than the more developed emerging markets and are often at an earlier stage economically, politically and/or financially. .
NOK	Norwegian Kroner.
OECD	The Organisation for Economic Co-operation and Development.
Other State	Any State of Europe which is not a Member State of the European Union, and any State of America, Africa, Asia, and Oceania.
Principal Distributor	The main Distributor for Shares of BI SICAV.  BI Asset Management Fondsmæglerselskab A/S Sundkrogsgade 7 DK-2100 Copenhagen Denmark Telephone: +45 77 30 90 00 Facsimile: +45 77 30 91 00
Prospectus	The prospectus for BI SICAV; this document.
Redemption Deadline	The cut-off time for receipt of a redemption request for Shares; currently 13:00 CET for all Sub-funds.
Redemption Price	The sum of the applicable Net Asset Value per Share.
Registered Office	The Company' address, as notified to the Registre de Commerce et des Sociétés, Luxembourg, where the Company's records shall be kept and where official correspondence to the Company shall be sent:  BI SICAV 11-13, Boulevard de la Foire L – 1528 Luxembourg Grand Duchy of Luxembourg
Registrar and Transfer Agent	RBC Investor Services Bank S.A., 14, rue Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg
Regulated Market	A market defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as amended
RESA	Recueil électronique des sociétés et associations
SEK	Swedish Kronor.
Semi-annual Report	The financial report of the Company for the first 6 months of each business year.
Shares	Shares in the Company and any rights arising therefrom.
Shareholder	A person or company having invested in Shares.
SICAV	Société d'Investissement à Capital variable.
Sub-distributor	A legal entity appointed by the Principal Distributor where instructions for the subscription or redemption of Shares can be delivered.
Sub-fund	An individual portfolio of assets and liabilities within the Company; the assets are invested pursuant to its own specific investment objective and policy.
Subscription Currency	The currency in which a subscription for Shares was made.
Subscription Deadline	The cut-off time for receipt of a subscription request for Shares; currently 13:00 CET for all Sub-funds.
Subscription Fee	A fee payable upon purchase of Share(s).
Subscription Form	The document to fill-in when subscribing for Shares in the Company.
Subscription Price	The sum of the applicable Net Asset Value per Share.
Supervisory Authority	The Luxembourg authority or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg.  Commission de Surveillance du Secteur Financier 110 route d'Arlon L-2991 Luxembourg Grand Duchy of Luxembourg (www.cssf.lu).
TER	Total Expense Ratio
Trading Day	Any Business Day where <ul style="list-style-type: none"> <li>banks are fully open for business</li> <li>the Luxembourg Stock Exchange is open for trading, and</li> <li>the calculation of the Net Asset Value is made.</li> </ul>
Transferable Securities	Transferable Securities include <ul style="list-style-type: none"> <li>shares and other securities equivalent to shares,</li> <li>bonds and other debt instruments,</li> <li>any other negotiable securities which carry the right to acquire any such Transferable Securities by subscription or exchange, with the exclusion of techniques and instruments referred to in Article 42 of the UCI Law</li> </ul>
UCI	An Undertaking for Collective Investment.
UCI Law	The Luxembourg law of 17 December 2010 (as amended from time to time) on undertakings for collective investment transposing into Luxembourg law the Directive 2009/65/EC of the European Parliament and of the Council.
UCITS	An Undertaking for Collective Investment in Transferable Securities governed by the Directive.
United States, USA	The United States of America.
USD	United States of America Dollar.

**BI SICAV**

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