

# Prospectus FOR SWITZERLAND

## DINVEST An Alternative Fund of Funds with Special Risk

JUNE 2021

Dinvest **is not approved for offering to non-qualified investors in or from Switzerland**. As a consequence, Dinvest and its sub-funds **may only be offered to qualified investors** as defined in Article 10 of the Swiss Collective Investment Schemes Act.



UNION BANCAIRE PRIVÉE

DINVEST (the "Fund") invests as a "fund of funds" in Hedge Funds. An investment in the Fund carries substantial risks. The risks inherent to an investment in Hedge Funds are of a nature and degree not typically encountered in investments in securities of companies listed on major securities markets worldwide. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investors incur the risk to lose all or part of their investment in the Fund. An investment in the Fund is not intended to be a complete investment program for any investor. Prospective Investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources (see "Risk Factors" below). The Board of Directors of the Fund will, however, seek to monitor risks through the selection of the Fund's investments based on a due diligence procedure (see "Due Diligence Process" below).

The Fund is registered under Part II of the Luxembourg law of 17<sup>th</sup> December 2010 relating to undertakings for collective investment, as amended (the "Law of 2010") and qualifies as an AIF (alternative investment fund) under the law of 12 July 2013 (the "AIFM Law") implementing the 2011/61/UE Directive on the alternative investment fund managers ("AIFMD"). UBP Asset Management (Europe) S.A. shall act as the appointed alternative investment fund manager ("AIFM") for the Fund.

However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the portfolio securities held by the Fund. Any representation to the contrary is unauthorised and unlawful.

Shares in the Fund are offered on the basis of the information and representations contained in this Prospectus or the documents specified herein and no other information or representation relating thereto is authorised. Neither the delivery of this Prospectus nor the offer, issue or sale of shares in the Fund shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof.

Shares in the DINVEST may not be acquired or held, directly or indirectly, by a U.S. Person (as defined below); neither is the transfer of DINVEST Shares to such person authorised.

For the purposes of this Prospectus (but subject to applicable law, including Rule 902(k) of Regulation S promulgated under the US Securities Act 1933, as amended),

**A) "United States" means:**

The United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

**B) "U.S. Person" means:**

1. any natural person who is a citizen of the United States (including dual citizens);
2. any natural person resident of or in the United States;
3. any partnership or corporation organized or incorporated under the laws of the United States;
4. any estate of which any executor or administrator is a U.S. Person or the income of which is subject to US income tax regardless of source;
5. any trust of which any trustee is a U.S. Person or the income of which is subject to US income tax regardless of source;
6. any agency or branch of a foreign entity located in the United States;
7. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
8. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and

9. any partnership or corporation if:
  - (i) organized or incorporated under the laws of any foreign jurisdiction; and
  - (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the US Securities Act 1933 as amended, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the US Securities Act 1933 as amended) who are not natural persons, estates or trusts.
10. any entity organised principally for passive investment such as a pool, investment company or other similar entity; provided that the units of participation in the entity held by US Persons or persons otherwise not qualifying as “qualified eligible persons” (as defined in Rule 4.7 under the US Commodity Exchange Act) represent in the aggregate 10% or more of the beneficial interest in the entity, and that such entity was formed principally for the purpose of facilitating investment by US Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 under the US Commodity Exchange Act regulations by virtue of its participants being non-US Persons.

**C) “U.S. Person” does not include:**

1. any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
2. any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if:
  - (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (ii) the estate is governed by non-U.S. law;
3. any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
4. an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
5. any agency or branch of a U.S. Person located outside the United States if:
  - (i) the agency or branch operates for valid business reasons; and
  - (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or
6. the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

The distribution of this document in other jurisdictions may also be restricted; persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. This document does not constitute a solicitation by anyone in any jurisdiction in which such solicitation is not authorised or to any person to whom it is unlawful to make such solicitation.

The information contained in this Prospectus is supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be requested free of charge at the registered office of the Fund or at the offices of Union Bancaire Privée, UBP SA in Geneva.

The Board of Directors of the Fund has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts the omission of which makes misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

Any information or assertion not contained in this prospectus or in the reports which form an integral part hereof, must be considered to be unauthorised and therefore untrustworthy. Neither the distribution of this prospectus, nor the offering, issue or sale of the Fund's shares guarantee that the information given in this prospectus will be accurate at all times after the date of this prospectus. This prospectus will be updated when necessary, in order to take account of any major changes, particularly in case new sub-funds are added. As such, prospective subscribers are advised to ask the Fund about any later prospectus that may have been published.

Prospective buyers and subscribers for the Fund's shares are recommended to personally inquire about the possible legal or tax consequences or about any foreign exchange restrictions or regulations that they may encounter in their country of origin, residence or domicile when subscribing for, buying, holding, redeeming, converting or transferring the Fund's shares.

Each Investor must be aware that subscription for or acquisition of one or more Shares implies its complete and automatic adherence (i) to the content of the Prospectus and (ii) to the fact that any amendment conveyed to the Prospectus following an acceptable and validly implemented procedure described in section XII. C) of this Prospectus headed "Procedures for amending the Prospectus" shall bind and be deemed approved by all Investors.

Any information which the AIFM or the Fund is under a mandatory obligation (i) to make available to Investors before investing in the Fund, including any material change thereof and updates of this Prospectus's essential elements, or (ii) to disclose (periodically or on a regular basis) to Investors (each such information under (i) or (ii) being hereafter referred to as a "Mandatory Information") shall be validly made available or disclosed to Investors via and/or at any of the legally acceptable information means listed in the Constitutive Documents (the "Information Means").

Investors are reminded that certain Information Means (each hereinafter an "Electronic Information Means") require an access to internet and/or to an electronic messaging system and that, by the sole fact of investing or soliciting an investment in the Fund, Investors acknowledge the possible use of Electronic Information Means and confirm having access to internet and to an electronic messaging system allowing them to access any Mandatory Information made available or disclosed via an Electronic Information Means.

In principle, this Prospectus mentions the specific relevant Information Means via and/or at which an Investor may access any Mandatory Information that is not available or disclosed in this Prospectus. If this were not the case, Investors acknowledge that the relevant Information Means is available or disclosed at the registered office of the AIFM. No Investor will be allowed to invoke or claim the unavailability or non-disclosure of any Mandatory Information if this Mandatory Information was contained in this Prospectus or was available or disclosed via and/or at the relevant Information Means available or disclosed at the registered office of the AIFM.

### **PRIIPs Regulation**

Within the EEA, the Shares are solely advised on, offered or sold to Professional Investors. As a consequence, no PRIIPs KID shall be issued.

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## I. INFORMATION ON THE FUND

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### A. PRINCIPAL AGENTS

<b>Fund</b>	DINVEST (Société d'investissement à capital variable, Luxembourg), a fund of funds which offers Investors a choice between several Sub-Funds.
<b>Sub-Fund(s)</b>	Each of the Fund's actual and future Sub-Funds. As of the date of this Prospectus, the Fund has one Sub-Fund DINVEST - TOTAL RETURN HOLDINGS Each Sub-Fund may issue different Classes of shares. For each Sub-Fund, the Classes of shares issued as well as details of each Class are indicated in the relevant Sub-Fund's Annex.
<b>Board of Directors of the Fund</b>	Mr Patrick Palffy, Chief Operating Officer Alternative Investment, Union Bancaire Privée, UBP SA 96-98 rue du Rhône, CH-1211 Genève 1  Mr. Rémy Portes, Managing Director, Union Bancaire Privée, UBP SA, 96-98, rue du Rhône, CH 1211 Geneva 1  Mr André Schmit, Retired Bank Executive, Schieren, Grand Duchy of Luxembourg  Mr Daniel Van Hove, Managing Director of Orionis Management S.A., 370 route de Longwy, L-1940 Luxembourg
<b>Alternative Investment Fund Manager</b>	UBP Asset Management (Europe) S.A. 287-289, route d'Arlon, L-1150 Luxembourg
<b>Board of Directors of the Alternative Investment Fund Manager</b>	
Mr. Laurent Nicolai de Gorhez	Senior Managing Director Union Bancaire Privée, UBP SA 96-98, rue du Rhône, CH-1211 Genève 1 Chairman of the Board of Directors
Mr. André Gigon	Independent Director 48, chemin de Grange-Canal, CH-1224 Chêne-Bougeries
Mrs. Isabelle Asseray	Managing Director UBP Asset Management (Europe) S.A 287-289, route d'Arlon, L-1150 Luxembourg
Mrs. Claire Collet-Lambert	Managing Director UBP Asset Management (Europe) S.A 287-289, route d'Arlon, L-1150 Luxembourg

Mr. Nicolas Delrue	Senior Managing Director Union Bancaire Gestion Institutionnelle (France SAS) 116, avenue des Champs Elysées, F-75008 Paris
Mr. Nicolas Fallier	Executive Managing Director Union Bancaire Privée, UBP SA 96-98, rue du Rhône, CH-1211 Genève 1
Mr. Dominique Leprévots	Senior Managing Director Union Bancaire Gestion Institutionnelle (France) SAS 116, avenue des Champs Elysées, F-75008 Paris
<b>Conducting Officers of the Alternative Investment Fund Manager</b>	Mr. Pierre Berger Mrs. Isabelle Asseray Mrs. Claire Collet-Lambert Mr. Claudy Huart Mrs Sandrine Puccilli
<b>Investment Manager</b>	Union Bancaire Privée, UBP SA 96-98 rue du Rhône CH-1211 Genève 1, Switzerland with the assistance of its London Branch while retaining full responsibility
<b>Depository Bank</b>	BNP Paribas Securities Services, Luxembourg Branch 60, avenue J.F. Kennedy, L-1855 Luxembourg
<b>Domiciliary Agent</b>	UBP Asset Management (Europe) S. A. 287-289 route d'Arlon, L-1150 Luxembourg
<b>Administrative, Registrar and Transfer Agent</b>	CACEIS Bank Luxembourg Branch, 5, allée Scheffer L-2520 Luxembourg (the " <b>Administrative Agent</b> ")
<b>Auditor</b>	Deloitte Audit Sàrl 20 boulevard de Kockelscheuer L-1821 Luxembourg
<b>Registered Office</b>	287-289 route d'Arlon L-1150 Luxembourg

## **B. SUMMARY AND DEFINED TERMS**

<b>AIFM</b>	means UBP Asset Management (Europe) S.A., 287-289, route d'Arlon, L-1150 Luxembourg, i.e., the alternative investment fund manager appointed by the Fund pursuant to the AIFM Rules.
<b>AIFM Directive</b>	means the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.

<b>AIFM Law</b>	means the Luxembourg Law of 12 July 2013 relating to alternative investment fund managers.
<b>AIFM Regulation</b>	means the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.
<b>AIFM Rules</b>	means the corpus of rules formed by the AIFM Directive, the AIFM Regulation and any binding guidelines or other delegated acts and regulations issued from time to time by the EU relevant authorities pursuant to the AIFM Directive and/or the AIFM Regulation, as well as by any national laws and regulations (such as the AIFM Law) which are taken in relation to (or transposing either of) the foregoing.
<b>Annex</b>	An annex to this Prospectus containing information with respect to a particular Sub-Fund.
<b>Articles</b>	The articles of association of the Fund as amended from time to time
<b>Business Day</b>	Any full bank business day in Luxembourg (Grand-Duchy of Luxembourg).
<b>CHF</b>	All references to CHF in the Prospectus are to the currency of Switzerland.
<b>Classes</b>	Pursuant to the Articles of Incorporation of the Fund, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares (hereinafter referred to as a "Class" or "Classes", as appropriate) whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, conversion rules, minimum subscription amount and minimum holding requirement, subscription currency or dividend policy may be applied. For each Sub-Fund, the classes of shares issued are indicated in the relevant Sub-Fund's Annex. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Sub-Fund's Annex.
<b>Constitutive Documents</b>	means the Fund's instruments of incorporation/association
<b>Dividends and Distributions</b>	It is not the intention of the Fund to make distributions of net income or capital gains by way of dividends or distributions. Net income and capital gains are, therefore, effectively reinvested and represented in the value of the shares.
<b>EUR</b>	The official currency adopted by the member states of the European Union participating in the Economic and Monetary Union (EMU).
<b>FATCA</b>	The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act enacted in March 2010.
<b>Financial Year</b>	The financial year of the Fund ends on 31st December.

<b>GBP</b>	All references to GBP in the Prospectus are to the currency of Great-Britain
<b>Investor(s)</b>	means any person who has invested in the Fund and/or who is solicited to invest in the Fund and/or has expressed an interest in investing in the Fund.
<b>Law of 2010</b>	means the Luxembourg Law of 17 December 2010 regarding undertakings for collective investment, as amended from time to time
<b>Minimum Subscription - Minimum Holding</b>	The initial minimum subscription and the minimum holding requirement for shares of a Sub-Fund or Class is described in the relevant Annex. Any subsequent subscription shall be an integral multiple of 1 share.
<b>Net Asset Value</b>	The total assets minus liabilities and accrued expenses valued at current market prices.
<b>Redemption Day</b>	See information in the Annex relating to the relevant Sub-Fund.
<b>Redemption Price</b>	The Net Asset Value per share, each computed on the relevant Valuation Day.
<b>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "Disclosures Regulation"),
<b>Sub-manager</b>	The manager of a UCI in which the assets of the Fund and/or Sub-Fund will be invested.
<b>Subscription Charge</b>	A sales commission not exceeding 3.00% of the Subscription Price may be added to compensate selected financial intermediaries and other persons who assist in the placement of shares (see relevant Annex).
<b>Subscription Day</b>	See information in the Annex relating to the relevant Sub-Fund.
<b>Subscription Price</b>	The Net Asset Value per share each computed on the relevant Valuation Day.
<b>Term</b>	The Fund has been launched for an indefinite period.
<b>UCI</b>	Undertakings for Collective Investments, i.e. the underlying funds, which may be structured as partnerships, limited liability companies and other investment vehicles typically used for alternative asset management.
<b>USD</b>	All references to "USD" in this Prospectus are to the currency of the United States of America.
<b>Valuation Day</b>	See information in the Annex relating to the relevant Sub-Fund.

## II. THE FUND

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The Fund is an investment company which had been initially organised as a société anonyme on 15<sup>th</sup> July 1986 under the laws of the Grand Duchy of Luxembourg. The Fund adopted the status of an undertaking for collective investment and the particular form of a société d'investissement à capital variable (SICAV) pursuant to a resolution of an extraordinary general meeting of shareholders held on 30<sup>th</sup> December 1998. With effect on 3<sup>rd</sup> September 2003, the Fund has absorbed Dinvest Two, an undertaking for collective investment governed by part II of the Law of 30<sup>th</sup> March 1988 regarding undertakings for collective investment. The Fund is registered under the part II of the Law of 17<sup>th</sup> December 2010 regarding undertakings for collective investment and qualifies as an AIF under the AIFM Law. The articles of incorporation of the Fund (the "Articles") were published initially in the Mémorial of 7<sup>th</sup> August 1986 and have subsequently been amended several times. The Articles have been restated in their entirety with effect as from 11<sup>th</sup> February 2020 by the extraordinary general meeting of shareholders held on that day and they were published in such form by mention in the Recueil Electronique des Sociétés et Associations ("RESA") n° 2020\_064 of 20<sup>th</sup> March 2020. The Articles in their consolidated form are on file with the *Luxembourg Business Register* where they are available for inspection and where copies thereof may be obtained. Copies may also be obtained at the registered office of the Fund.

The Fund is registered with the *Luxembourg Business Register* under n° B 24 540.

The Fund offers Investors, within the same investment vehicle, a choice between several Sub-Funds (the "**Sub-Funds**"), which are managed separately and which are distinguished mainly by their specific investment policy and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in the Annexes of this Prospectus. The Board of Directors of the Fund may, at any time, decide to create further Sub-Funds or share Classes within existing Sub-Funds and in such case, this Prospectus will be updated.

As of the date of this Prospectus, the Fund has one Sub-Fund created under the denomination of:

- DINVEST - TOTAL RETURN HOLDINGS

For each Sub-Fund, different Classes may be issued.

For each Sub-Fund, the Classes issued as well as details of each Class are indicated in the relevant Sub-Fund's Annex.

The base currency of the Fund is USD. The base currency of each Sub-Fund and each Class is indicated in the relevant Sub-Fund's Annex.

## III. INVESTMENT OBJECTIVES AND STRATEGIES OF THE FUND

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The primary objective of the Fund is to achieve long-term, risk adjusted capital appreciation by investing its assets in a diversified portfolio of UCIs using non-conventional or alternative asset management strategies. There can be no assurance that the Fund will achieve its objectives.

## IV. INVESTMENT POLICY OF THE FUND

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The Fund operates as a fund of funds, investing its assets in a portfolio of UCIs, which are generically known as Hedge Funds, primarily managed by independent investment managers throughout the world or by investment managers of the Union Bancaire Privée Group. They use opportunistic alternative asset management strategies.

## **SFDR (SUSTAINABLE FINANCE DISCLOSURE REGULATION)**

### **SFDR classification:**

In accordance with Article 6 of SFDR, the AIFM, in consultation with the Investment Manager, has determined that the Sub-Fund Dinvest – Total Return Holdings does not pursue an investment approach that explicitly promotes environmental or social characteristics nor have sustainable investment as its objective. The Sub-Fund's investment policy does not take into account the EU criteria for environmentally sustainable economic activities.

Notwithstanding this classification, in managing the investments of the Sub-Fund, the Investment Manager takes account of certain sustainability risks arising and of the potential financial impact of such risks on the return of an investment.

UBP Group is also signatory of the United Nations Principles for Responsible Investment (UN PRI) since March 2012.

### **Integration of Sustainability Risks**

By taking sustainability risks into consideration during its investment decision making process, the intention of the Investment Manager is to manage such sustainability risks in a way that those risks do not have a material impact on the performance of the Sub-Fund. The Investment Manager considers certain sustainability risks in its investment decision process and seeks to mitigate those risks by complying with the Investment Manager's Responsible Investment Policy, which excludes controversial weapons and other contentious business activities (such as tobacco or thermal coal extraction, – revenue thresholds apply). This policy is available on <https://www.ubp.com/en/investment-expertise/responsible-investment>.

### **Likely impact on returns**

While sustainability factors are considered by the Investment Manager, sustainability risks are currently not likely to have a material impact on the returns of the Sub-Fund considering the integration of the sustainability risks in the investment process and the diversification of the investments.

Assessment of sustainability risks is complex and requires subjective judgments, which may be based on data, which is difficult to obtain and/or incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager's assessment will correctly determine the impact of sustainability risks on the Sub-Fund's investments.

### **A. ALTERNATIVE VS TRADITIONAL ASSET MANAGEMENT**

In contrast with traditional asset management based on the assumption of efficient markets and the perception that outperforming the market over time is impossible without accepting undue risk to capital, alternative asset management presumes that markets are indeed inefficient and offer, therefore, opportunities for increased investment performance without increased risk to capital. Some of the defining characteristics of alternative asset management strategies can be summarised as follows:

- Whereas traditional asset management will focus on building a portfolio of long securities, essentially equities and bonds, alternative asset management will use both long and short positions. In addition, the use of derivatives, both for hedging and speculative purposes, is not limited in alternative asset management strategies.
- In traditional asset management, the use of leverage is only permitted to a limited extent. By contrast, alternative asset management strategies can be highly leveraged.
- A portfolio managed according to traditional asset management principles aims to outperform a benchmark, some form of index, or industry median, following an indexed and/or passive investment approach. Performance, therefore, is measured on a relative basis. Alternative asset management, on the other hand, seeks to capture absolute gains at all times, whether in a rising, static, or falling market,

following a dynamic investment approach.

- Traditional asset management strategies generate returns which are more highly correlated to major market indices than alternative asset management strategies.

## **B. HEDGE FUND: A CONTEMPORARY DEFINITION**

Since then, the "Hedge Fund" concept has expanded to include a variety of alternative investment strategies. Far from being a homogeneous group, hedge funds today cover a wide array of investment styles and strategies. Some adhere to well defined investment disciplines while others are highly opportunistic. Risk profiles and performance attributes, therefore, can vary substantially. Finally, the style of some hedge funds may evolve over time to better suit market conditions. Broadly speaking, hedge funds styles and investment strategies include the following:

- *Equity Long-Short strategies* cover those strategies, generally, that take long positions on stocks that are expected to increase in value and short positions on those expected to decline in value.
- *Macro strategies*. In addition to a core portfolio of long and short equity securities, a macro hedge fund will have a significant portion of its assets invested in non-equity investments such as fixed-income securities, currencies, options, various types of futures and forward contracts and other synthetic or derivative instruments. Unlike investments in the core portfolio, these non-equity investments do not involve a "bottom-up" fundamental analysis approach but rather "top-down" analysis and projections with respect to various macroeconomic factors such as interest rates and currency exchange rates movements. Macro strategies may include significantly highly leveraged positions.
- *Arbitrage or relative value strategies*. These strategies are based on the principle that when a price discrepancy exists between related trading instruments, a relative value position may be established by buying the relatively underpriced instrument and hedging that position by selling short the relatively overpriced instrument. If the relationship between these instruments returns to normal (fairly priced), a profit may be realised. Examples of such strategies include: convertible arbitrage, fixed income arbitrage and capital structure arbitrage.
- *Event-driven strategies*, focusing on the securities of corporations involved in significant transactions, including mergers, acquisitions, divestitures, tender offers, liquidations, restructurings and other similar corporate events. These strategies profit from the successful completion of the transaction by purchasing the securities at a discount to the value that will be realised upon completion of the transaction.
- *Distressed securities investment strategies*, based on the observation that securities of companies involved in bankruptcy proceedings are frequently undervalued, providing the prospect of greater appreciation in value than the securities of more financially stable issuers. Undervaluation, in relation to real fundamental value, may be the result of several factors, including, the difficulty of financial analysis of a troubled issuer, complex legal difficulties and the lack of available information.
- *CTAs (Commodities Trading Advisers)*. CTAs manage assets using global futures and options markets, ranging from currencies, fixed income markets, equity indices and the commodity and energy markets. The managers often use systematic or technical trading processes. While some managers implement their decisions on a discretionary basis, most trade from signals generated by proprietary systematic models, which use historical data to anticipate price movements.

The Directors of the Fund intend to invest the assets of the various Sub-Funds in a variety of opportunistic alternative strategies, including but not limited to some or all of the above. The portfolio allocation of each Sub-Fund is described in the relevant Annexes to this Prospectus.

## **C. STRUCTURE OF FUND-OF-FUNDS: ADVANTAGES AND DISADVANTAGES**

The main advantages of a fund-of-funds structure as compared to the structure of traditional funds are the following:

- i) Investments in a diversified portfolio of UCIs which pursue different investment strategies and objectives result in a limitation of risks compared to investments in a single investment strategy or objective.

- ii) Investments in a diversified portfolio of UCIs managed by different investment Sub-managers result in a limitation of risks compared to the management of all assets by the same investment manager.
- iii) Collective fund investment vehicles, such as the Fund, allow the Investor to invest indirectly in UCIs in which the Investor could not invest directly due to high minimum subscription and holding amounts.

The main disadvantages of a fund-of-funds structure as compared to the structure of traditional funds are the following:

- i) Each of the underlying UCIs has its own fee structure which will be charged in addition to the fees of the Fund (see "XIII. Fees and Expenses" below).
- ii) The dilution of risks as a result of the diversified investment strategies and objectives leads to the dilution of the performance of the most successful investments of the Fund.

#### **D. INVESTMENTS THROUGH A THIRD PARTY FUND PLATFORM**

The Fund may invest up to 100% of its assets through one or several Independent Fund Platforms promoted or run by third party asset managers ("Platform Managers") which may generally offer increased transparency, risk monitoring, assets control and governance services.

Where the Fund invests through the Independent Fund Platforms, participation in the platform is expected to provide comprehensive investment transparency, independent valuation, position-based aggregated risk reporting and administration and custody services. Although a Platform Manager generally will not allocate assets to portfolio managers on a discretionary basis or recommend portfolio managers, the Platform Manager will perform due diligence on prospective portfolio managers. Following satisfactory completion of initial due diligence on a prospective portfolio manager, the Platform Manager will facilitate the inclusion of the portfolio manager on the Independent Fund Platform, including (i) the creation of the relevant fund structure, (ii) entering into an investment management agreement with such portfolio manager, (iii) entering into service provider agreements, (iv) opening fund accounts (v) entering into counterparty agreements, (vi) monitoring the portfolio manager's compliance with investment guidelines, (vii) monitoring compliance by the portfolio manager with the investment management agreement, and (ix) operational integration, coordination and oversight of service providers.

The Fund may at any time and without notice change Independent Platforms in its sole discretions consistent with its fiduciary duties to the shareholders.

#### **E. INVESTMENTS IN FINANCIAL DERIVATIVE INSTRUMENTS AND OTHER PORTFOLIO MANagements TECHNIQUES**

A Sub-Fund may engage in transactions involving the use of derivative instruments including but not limited to forward foreign exchange contracts, currency futures and options thereon, put and call options on indices or securities, stock index and interest rate futures and options thereon, total return swaps, indexed deposits and any other techniques and instruments as the Sub-Fund may consider appropriate to employ leverage on the portfolio in the limits applicable to the Sub-Fund, for hedging and/or for efficient portfolio management purposes.

A Sub-Fund may issue debt instruments on a private basis for leverage purposes such as variable funding notes. Subscribers are the credit or lending institution which have structured the debt instruments. The Sub-Fund may also engage in repurchase, reverse repurchase and stock lending and borrowing arrangements for investment or for efficient portfolio management purposes within the limits applicable to the Sub-Fund.

For the purpose of providing margin or collateral in respect of such transactions, a Sub-Fund may transfer, mortgage, charge or encumber any assets or cash forming part of the Sub-Fund.

## **V. INVESTMENT RESTRICTIONS**

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The Board of Directors has resolved that a Sub-Fund may not:

1. Invest more than 20% of its net assets, in securities issued by a single issuer or UCI. In the case of structured products, such limit is applicable both on the issuer of the structured product and on its underlying.

2. Invest more than 10% of its net assets, in securities which are neither listed on an official exchange nor dealt in on another market which operates regularly and is recognised and open to the public. Such limit does not apply:
  - i) To investments in shares or units of UCIs;
  - ii) To securities for which a listing has been requested and obtained within one year, in which case they are considered as listed securities;
  - iii) To money market instruments issued by first class issuers.
3. Invest more than 20% of its cash in deposit with the same credit institution.

There will be no commissions levied on the assets of the Sub-Fund which are invested in units of UCIs which, in accordance with their investment policy, invest principally in other UCIs, unless the Sub-Fund invests in a share class of the target fund which bears no commissions. Investments in such other UCIs will only be made if they are deemed to be in the best interest of the Sub-fund's shareholders.

The Board of Directors may from time to time impose further investment restrictions as shall be compatible with or in the interest of the shareholders, in order to comply with the laws and regulations of the countries where the shares of the Fund are distributed.

The restrictions set forth above shall only be applicable at the time where the relevant investment is made. If the restrictions are exceeded as a result of any events other than the making of investments, the situation shall be remedied, taking due account of the interest of the shareholders.

## VI. RISK FACTORS

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### A. GENERAL RISKS

**Prospective Investors should be aware that because of the alternative investment strategies of the Fund an investment in the Fund involves a high degree of risk, including the risk of loss of the entire amount invested.**

Sub-managers may invest in and actively trade instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leverage factors associated with trading in such markets and instruments, and the potential exposure to loss resulting from counterparty defaults. There can be no assurance that a Sub-Fund's investment program will be successful or that the investment objective of a Sub-Fund will be achieved. Shares in the Fund may fluctuate in price and value, and the value of the shares may decline below the amount originally invested.

While a Due Diligence Process is generally used to select and monitor the individual funds in which the assets of the Fund are invested, there can be no assurance that the past performance information will be indicative of how such investments will perform (either in terms of profitability or correlation) in the future. Upon a redemption of shares or the liquidation of the Fund, Investors may receive less than the amount invested.

The Fund intends to invest in UCIs which pursue a speculative investment policy. These UCIs will generally fall in the category commonly known as "hedge funds" or "alternative investments". Some investments may also be made in UCIs which trade in commodities futures and options, currencies and currency contracts or financial instruments. Thus, such UCIs use specific investment and trading techniques such as investments in options, use of futures or short sales of securities. The Fund will seek to achieve risk diversification by selecting UCIs managed by different Sub-managers with different investment styles or investing in different areas.

### B. LACK OF REGULATORY SUPERVISION

**The Fund is permitted to invest in UCIs established in jurisdictions where no or less supervision than in**

**the EU is exercised on such UCIs by regulators. Although the Fund will ensure that in any such event other safeguards are provided for the protection of the interest of the shareholders of such UCIs, such protection may be less efficient than if a supervision by a regulator was exercised. Further the efficiency of any supervision or of other safeguards may be affected by a lack of precision of investment and risk diversification guidelines applicable to, and the flexibility of the investment policies pursued by, such UCIs. However, in order to minimize these risks, a Due Diligence Process has been put in place setting out various criteria for the selection of UCIs (see below "Due Diligence Process").**

### **C. ILLIQUIDITY OF THE UCIs**

Although the Investment Manager will seek to select UCIs which offer the opportunity to have their shares or units redeemed within a reasonable time frame, there is no assurance that the liquidity of the investments of such UCIs will always be sufficient to meet redemption requests as, and when made. Any lack of liquidity may affect the liquidity of the shares of the Fund and the value of its investments.

For such reasons the treatment of redemption requests may be postponed in exceptional circumstances including if a lack of liquidity may result in difficulties to determine the Net Asset Value of the shares of the Fund and consequently a suspension of issues and redemptions.

### **D. PERFORMANCE FEE**

A portion of the fees of the Investment Manager is based on the Fund's performance. In addition, due to the specialist nature of the UCIs in which the Fund invests, many, if not most of such UCIs, may be paid performance fees. Under these arrangements the Investment Manager and the Sub-managers will benefit from the appreciation, including any unrealized appreciation, if the value of the assets under their management increases, but they may not similarly be penalized for realized losses or decreases in the value of such assets. Further, because several, if not all Sub-managers may be paid performance fees, it is possible that in a given year such fees will be paid whereas the total net asset value per share of the Fund decreases.

### **E. FEE STRUCTURE**

The Fund incurs the costs of its management and of the fees paid to the Investment Manager and the Depositary and other service providers as well as a prorata portion of the fees paid by the UCIs in which the Fund invests to their Sub-manager or other service providers. As a result the operating expenses of the Fund may constitute a higher percentage of the net asset value than could be found in other investment schemes. Further, some of the strategies employed at the level of the UCIs require frequent changes in trading positions and a consequent portfolio turnover. This may involve brokerage commission expenses to exceed significantly those of other investment schemes of comparable size.

Potential Investors should be aware that the fees payable to the Investment Manager are in addition to the fees paid by the investee UCIs to the Sub-manager and that, there may be a duplication of fees (please refer to "XIII. Fees and Expenses" below).

### **F. LEVERAGE**

Certain UCIs in which the Fund invests, operate with substantial degree of leverage and are not limited in the extent to which they either may borrow or engage in margin transactions. The positions maintained by such UCIs may in aggregate value be in excess of the net asset value of the Fund. This leverage presents the potential for a higher rate of return but also increases the volatility of the Fund, including the risk of a total loss of the amount invested.

The Sub-Funds may make use of financial derivative instruments and other efficient portfolio management techniques. The use of such instruments and techniques has a leverage effect, which creates the potential for more significant profits, but also gives rise to a higher risk that losses will exceed the amount invested. The use of leverage therefore increases the overall risk involved in investing in the Fund's shares.

Shareholders should note that the sum of notional calculation methodology does not take into account any netting

and hedging arrangements a Sub-Fund may have in place. In addition they should note that leverage per se is not an accurate risk indicator. A high degree of leverage does not necessarily imply a higher degree of risk.

#### **G. RISKS RELATED TO SHORT SALES**

The UCIs in which the Fund invests may engage in short selling of securities which may expose the portion of the UCI's assets committed to such activities to unlimited risk due to the lack of an upper limit on the price to which a security may rise. However, to the extent that the Fund participates in short selling activities through a UCI, the Fund's losses will be limited to the amount invested in the particular UCI.

#### **H. ABSENCE OF CUSTODIAN BANKS OF THE UNDERLYING UCIs**

Many of the UCIs in which the assets of the Fund are allocated have a broker as a custodian instead of a bank. In certain cases these brokers may not have the same credit rating as a bank. In addition, contrary to custodian banks in regulated environments, these brokers will perform only safekeeping functions with no statutory supervisory obligations.

#### **I. ABSENCE OF AUDITORS OF THE UNDERLYING UCIs**

Some of the UCIs in which the assets of the Fund are allocated may not have auditors of the same standard or exercising the same audit and supervision as required for auditors of funds.

#### **J. CONFLICTS OF INTERESTS**

##### **Fund**

Conflicts of interests may arise between the Fund and the persons or entities involved as advisers in the management of the Fund and/or the Sub-managers of the UCIs in which the Fund invests. The Sub-managers normally manage assets of other clients that make investments similar to those made on behalf of the undertakings in which the Fund invests. Such clients could thus compete for the same trades or investments and whilst available investments or opportunities for each client are generally allocated in a manner to be believed equitable to each, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed.

Conflicts may also arise as a result of the other services provided by Union Bancaire Privée or its affiliates which may provide advisory or other services to the Investment Manager, to other clients and some of the other UCIs in which the Fund invests. Similarly the Directors of the Fund may also be directors of UCIs in which the Fund may invest and the interests of such UCIs and of the Fund could result in conflicts.

Generally there may be conflicts of interests between the interests of the Fund and the interests of the Investment Manager and its affiliates to generate fees, commissions and other revenues. In the event that such a conflict of interests arises, the Directors of the Fund will endeavour to ensure that it is resolved in a fair manner.

Furthermore, some Sub-managers have an equity stake in their own fund. Conflicts of interest can therefore not be ruled out at the level of the UCIs.

##### **AIFM**

According to the AIFM Rules, the AIFM must take all reasonable steps to identify conflicts of interest that arise in the course of managing the Fund between the AIFM (including its managers, employees or any person directly or indirectly linked to the AIFM by control) and the Fund or its Investors, the Fund or its Investors and another client of the AIFM (including another alternative investment fund, an undertaking for collective investment in transferable securities or their investors), and two clients of the AIFM.

The AIFM must maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Fund and its Investors.

The AIFM must segregate, within its own operating environment, tasks and responsibilities which may be

regarded as incompatible with each other or which may potentially generate systematic conflicts of interest. The AIFM must assess whether its operating conditions may involve any other material conflicts of interest and disclose them to the Investors.

Where organisational arrangements made by the AIFM to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to Investors' interests will be prevented, the AIFM must clearly disclose the general nature or sources of conflicts of interest to the investors before undertaking business on their behalf, and develop appropriate policies and procedures.

Investors are informed that, by the sole fact of soliciting an investment or, a fortiori, investing in the Fund, they acknowledge and consent that the information to be disclosed as per the above is available at the registered office of the AIFM and that this information will not be addressed personally to them.

#### **K. NATURE OF THE INVESTMENTS IN THE FUND**

Although the Investment Manager seeks to monitor investments and trading activities of the UCIs to which the Fund has allocated assets, investment decisions are normally made independently at the level of such UCIs and it is possible that some Sub-managers will take positions in the same security or in issues of the same industry or country or in the same currency or commodity at the same time. Consequently, the possibility also exists that one UCI purchases an instrument at about the same time when another UCI decides to sell it. There is no guarantee that the selection of the Sub-managers will actually result in a diversification of investment styles and that the positions taken by the underlying UCIs will always be consistent.

The assets of the Fund may be allocated to UCIs whose primary investment strategies include speculative trading of commodities futures and/or financial futures contracts, currencies and other financial market instruments including complex derivative contracts. Prices of the investments can be highly volatile and UCIs may use a high degree of leverage. As a result of leverage, a relatively small price movement in the underlying investment may result in substantial losses or gains to the Investor. Similarly some of the UCIs may have the majority of their assets invested in options and other geared instruments, where a relatively small price movement in the underlying security or commodity may result in substantial losses or profits.

#### **L. EXPOSURE TO FOREIGN EXCHANGE RISK**

Where a Sub-Fund is investing all or part of its assets in UCIs of a different currency from that in which the Sub-Fund is denominated, the Sub-Fund may enter into forward foreign exchange transactions in order to manage the foreign exchange risks arising from holding such instruments and in order to protect the value of its investments against short-term market volatility. These techniques may not always be possible or effective in limiting losses. Where the intention of the Investment Manager is to perform currency hedging for the share class denominated in a currency other than the base currency of the Sub-Fund, residual currency risk may subsist.

#### **M. FOREIGN JURISDICTIONS**

There are only very limited constraints on the investment strategies and techniques that can be employed by the Sub-managers. As a result of its diversified investments, the Fund may incur other risks, including currency exchange risks in respect of assets held in other currencies, tax risks in respect of assets invested in other jurisdictions, political risks relating to political, social and economic factors which may affect the assets of the UCIs in which the Fund invests, which are held in countries which may be subject to economic difficulties, political uncertainty or social unrest.

#### **N. MARKET RISKS**

The Fund invests in UCIs active on various markets throughout the world. Political changes, changes to the applicable legal framework, fiscal measures or currency risks on these markets may have a negative impact on the assets or the financial results of the underlying UCIs and, consequently, of the Fund.

## **O. DERIVATIVES**

The Sub-Fund or the Sub-managers on behalf of UCIs may use a variety of derivative instruments in implementing their investment strategies. The pricing of certain derivatives may be uncertain, variable, and based primarily on theoretical models, the outputs of which may vary substantially from the prices actually recognized in the market. In addition, the derivatives market is, in comparison to other markets, a relatively new market, and uncertainties exist as to how the market in derivatives will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. The primary risks associated with the use of such derivatives are: (i) model risk, (ii) market risk and (iii) counterparty risk. Investments in OTC derivatives are subject to greater risk of counterparty default and less liquidity than exchange-traded derivatives, although exchange-traded derivatives are subject to risk of failure of the exchange on which they are traded and the clearinghouse through which they are guaranteed.

The prices of derivative instruments can be highly volatile. Price movements of derivative instruments are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest-rate fluctuations.

The use of OTC derivatives, such as forward contracts, swap agreements and contracts for difference, will also expose the Sub-Fund and UCIs to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

## **P. FUND PLATFORM RISKS**

Because the Fund's may invest a large part of its assets in portfolio managers through Independent Fund Platforms operated by unaffiliated, third-party Platform Managers, the Fund is subject to risks associated with the Independent Fund Platforms and the Platform Managers.

In certain aspects, the Fund's utilization of the independent Fund Platform operated by Platform Managers may be disadvantageous to Shareholders as compared with investments in UCIs that are sponsored and operated by portfolio managers. For example where the Independent Fund Platform is built as master-feeder structure, the Fund's operating expenses related to such Independent Fund Platform may be a higher percentage of net assets than if the Fund made a direct investment in an UCI that is sponsored and operated by a portfolio manager. Furthermore, the Fund will be subject to any risks associated with any failure, insolvency or liquidation of service providers selected by the Platform Manager.

The Fund will depend on the Platform Manager and the portfolio managers to maintain appropriate procedures and to control operational risk. A failure by either the Platform Manager, portfolio managers participating in the Independent Fund Platform or their respective service providers may have a material adverse effect on the Fund.

## **Q. FUND PLATFORM CONFLICTS OF INTEREST**

The Investment Manager or one of its affiliates does or may serve as investment adviser to accounts in which certain affiliates of a Platform Manager are direct or indirect investors. Because the Investment Manager or one of its affiliates is compensated for such services to such accounts affiliated with the Platform Manager, the Investment Manager or one of its affiliates may have an incentive to favour the use (and higher utilization rate) of the related Independent Platform than would be the case in the absence of such advisory relationships.

## **R. SUSTAINABILITY RISKS**

Sustainability risks are environmental, social or governance ("ESG") events or conditions which, if they occur, have or may potentially have significant negative impacts on the assets, financial and earning situation or reputation of a supervised entity. Examples of such risks may include, but are not limited to, climate change, biodiversity, supply chain management, product liability or business ethics.

Furthermore, additional risks may result from the inherent limits of ESG approaches, as there is a lack of standardization in the rules governing ESG criteria and the reporting of ESG indicators by sovereign or corporate entities. There is no guarantee that Sub-Funds which integrate ESG into their investment process will take into consideration all the relevant indicators or that such indicators are all comparable. Furthermore, the Sub-Funds may rely on external ESG research providers for their ESG data. Such data may be incomplete, inaccurate or unavailable and differ from other sources of data. The use of different data sources or providers may ultimately have an impact on the investment universe or on the Sub-Funds' portfolio and performance.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED. PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM NECESSARY FOR DETERMINING TO INVEST IN THE FUND. PROSPECTIVE INVESTORS SHOULD ENSURE THAT THEY FULLY UNDERSTAND THE CONTENT OF THIS PROSPECTUS.**

**ACCORDINGLY, INVESTMENT IN THE SHARES OF THE FUND IS ONLY APPROPRIATE FOR INVESTORS WHO ARE WILLING TO ACCEPT THE RISKS AND REWARDS STEMMING FROM SUCH AN APPROACH.**

## **VII. DUE DILIGENCE PROCESS**

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The investment process of the Investment Manager is a blend of a Top-Down and Bottom-Up analyses with risk oversight at each step, taking into account the Fund's, and each of its Sub-Fund's, investment objectives, operational constraints, specifications, order management, liquidity, transparency, etc.

### **A. TOP-DOWN PROCESS**

This initial stage of the process involves setting specific objectives for the Fund in terms of the risk, return and correlation characteristics. The Investment Manager builds explicit longer-term investment objectives for the solution, covering portfolio, strategy and risk premia. The Investment Manager looks to identify the drivers, or factors, of the expected risk and return for alternative strategies and looks to identify turning points in these factors that can lead to an increase or decrease in expected returns. These factors are long term and can either be fundamentally driven or from the market structure that the strategy focuses on.

### **B. BOTTOM-UP PROCESS**

This is the core driver of the Investment Manager's investment approach, with the goal of the investment research process to source and underwrite high quality managers in all areas of the alternative universe in order to be able to construct robust portfolios. This process involves i) sourcing; ii) investment due diligence; iii) monitoring. The Investment Manager looks for highly differentiated managers that add value relative to its view on what are important metrics for that strategy or style. The Investment Manager uses a range of methods to source innovative ideas but within a consistent, solid risk-orientated framework to underwrite and monitor. All managers require a detailed thesis on why the Investment Manager believes them to be investible, but this differs across investment style and across alpha generation type. The process culminates in a qualitative conclusion and KPIs setting with which to monitor investments. The process is continuous and consistent, with a robust framework which ensures the team is providing on-going research.

### **C. OPERATIONAL RISK OR NON-INVESTMENT RISK ANALYSIS**

The operational due diligence analysis seeks to reduce the risk of manager failure and fraud which in turn could lead to losses. The Investment Manager has devised a comprehensive and consistent operational risk framework to undertake pre-investment analysis of the underlying managers and on-going analysis throughout the life of the investment. This analysis includes a rigorous review of (a) the fund's documentation and contractual arrangements, (b) the strength of their key service providers (such as administrators, auditors, etc), (c) the underlying manager's control environment and operating processes. Any issues raised are considered carefully by the Investment Manager. In-depth background checks of key individuals are conducted by a third-party firm, while reference checks are performed by the Investment Manager. The operational due diligence efforts are

performed by the Investment Manager operational due diligence team and an approved and reputable third-party operational due diligence provider.

## **VIII. MANAGEMENT OF THE FUND**

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### **1 THE BOARD OF DIRECTORS**

The Board of Directors is responsible for:

- the appointment of service providers of the Fund;
- the monitoring of the performances and overall operations of the Fund.

### **2 AIFM AND MANAGEMENT COMPANY**

The Board of Directors of the Fund has appointed UBP Asset Management (Europe) S.A. to act as its management company and alternative investment fund manager within the meaning of the AIFM Law (the "AIFM"). The AIFM was incorporated on 17 May, 2013 for an indefinite period, as a "société anonyme" ("limited company") governed by the laws of the Grand Duchy of Luxembourg and is authorised as a management company under Chapter 15 of the Law of 2010 and as alternative investment fund manager under Chapter 2 of the AIFM Law. The AIFM is wholly owned by Union Bancaire Privée, UBP SA Geneva. To that effect, the Fund entered into an Alternative Investment Fund Management Agreement (the "Management Agreement") concluded for an indefinite period. The Management Agreement may be terminated by either of the two parties subject to three months' prior notice. Under the Management Agreement, the AIFM receives an appropriate management fee as remuneration for its services as AIFM of the Fund.

Under the terms of the Management Agreement and in accordance with Annex I of the AIFM Law, the AIFM is in charge of the investment management functions of the Fund (i.e. portfolio and risk management).

Furthermore, the AIFM may, pursuant to the Management Agreement and in accordance with Part II of the Law of 2010, the AIFM Law and the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision ("AIFM Regulation") delegate under its sole responsibility all or parts of the aforementioned duties to third parties duly authorised to perform such functions.

The AIFM has delegated the portfolio management to the Investment Manager. Information about conflicts of interests that may arise from these delegations is available at the registered office of the AIFM

The AIFM holds appropriate additional own funds in accordance with the provisions of the AIFM Law and the AIFM Regulation to cover any potential professional liability resulting from its activities as AIFM.

The AIFM employs a risk management process and also has risk management procedures and processes which enable it to monitor the risks of the Fund.

These risk management procedures and processes include sustainability risks.

The AIFM maintains a liquidity management process to monitor the liquidity risk of the Sub-Funds, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions.

The liquidity management systems and procedures allow the AIFM to apply various tools and arrangements necessary to ensure that the portfolio of each Sub-Fund is sufficiently liquid to normally respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in section "Issue, Redemption and Conversion of Shares".

Other arrangements may also be used in response to redemption requests, including the temporary suspension or deferral of such redemption requests in certain circumstances or use of similar arrangements which, if activated, will restrict the redemption rights Investors benefit from in normal circumstances as set out

below under the section “Issue, Redemption and Conversion of Shares” and “Valuation of the Shares”.

The AIFM has established policies and procedures and made arrangements to ensure the fair treatment of Investors. Such arrangements include, but are not limited to, ensuring that no one or more Investors are given preferential treatment over any rights and obligations in relation to their investment in the Fund. All rights and obligations to Investors, including those related to subscription and redemption requests, are set out in this Prospectus or the Articles.

Information regarding the risk management process and liquidity management employed by the AIFM is available upon request from the registered office of the AIFM.

Pursuant to Article 111bis and 111ter of the 2010 Law as amended, the AIFM has established a remuneration policy in line with its own business strategy, objectives, values and long-term interests of the AIFM, those of the Fund and those of the Fund’s shareholders. The policy applies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profiles of the AIFM or the Fund. The policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles or the Fund’s Articles of Association. It also includes measures to avoid conflicts of interest.

The AIFM remuneration policy and practices also include an assessment of performance set in multi-year framework appropriate to the holding period recommended to the investors of the Fund managed in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks, and, as the case may be, that the actual payment of performance-based components of remuneration is spread over the same period.

The policy foresees a remuneration which is composed of a fix and a variable component, which are adequately balanced whereby the latter is long term oriented. The fixed component represents a sufficiently high proportion of the global remuneration to allow, if appropriate, to pay no variable remuneration component. The variable part of the remuneration, in the form of a non- contractual and purely discretionary payment, is fixed considering the individual performance of the employee on one side and the economic situation of the UBP Group on the other side. The employee’s individual performance is assessed based on quantitative and qualitative criteria. The principle of individual performance assessment is based on an assessment of objectives reached as well as an appreciation of the employee’s long-term value creation. The remuneration policy also encourages performance sustainability and long-term stability and aims to avoid inconsiderate risk-taking.

The up-to-date remuneration policy of the AIFM, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, are available at <https://www.ubp.com/fr/nos-bureaux/ubp-asset-management-europe-sa> and a paper copy will be made available free of charge upon request at the AIFM’s registered office.

### **3 THE INVESTMENT MANAGER**

The Investment Manager, Union Bancaire Privée, UBP SA, is a bank duly incorporated and existing in accordance with the laws of Switzerland.

The Investment Manager shall assume the day-to-day asset management of the Fund and each of its Sub-Funds. In particular, the Investment Manager shall ensure that:

- i) the investment restrictions of the Fund are at all times complied with;
- ii) the cash is reinvested according to the Sub-Fund’s investment guidelines.

In addition, the Investment Manager shall be responsible for the evaluation and monitoring of the structural risk at the UCIs managers’ level, following the methodology designed by Union Bancaire Privée. The Investment Manager may delegate some parts of the investment analysis and due diligence process to affiliated companies within the UBP group.

Union Bancaire Privée, UBP SA, Geneva will be assisted in the day-to-day investment management of the Fund

by Union Bancaire Privée, UBP SA, London Branch. The latter is submitted to the supervision of the British Financial Conduct Authority (FCA). The Investment Manager retains full responsibility regarding all investment management decisions.

#### **4 THE DEPOSITARY**

BNP Paribas Securities Services Luxembourg, Luxembourg Branch, 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg has been appointed as Depositary of all the assets, including the securities and cash of the Fund which will be held either directly or through correspondents, nominees, agents or delegates of the Depositary.

The Depositary has been entrusted with the following three main duties:

- monitoring of the Fund's cash;
- safe-keeping of the Fund's assets;
- oversight of certain transactions and operation related to the Fund.

The main duties referred to in the foregoing paragraph, as well as any additional duties which the Depositary has been entrusted with, are more fully described in the depositary agreement, a copy of which is available at the registered office of the AIFM, and in the AIFM Rules.

The Depositary has not delegated any of its safe-keeping functions to a third party service provider or correspondent.

The Depositary has not contractually discharged its liability to any of the delegates referred to in the foregoing paragraph. Information on any changes with respect to depositary liability is available at the registered office of the AIFM.

#### **Conflicts of interest**

Conflicts of interest may arise if and when the AIFM or the Fund maintains other business relationships with BNP Paribas Securities Services, Luxembourg Branch or any other group company in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to:

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services or its affiliates act as agent of the Fund or the AIFM, or
- Selection of BNP Paribas Securities Services or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of Shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Fund, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - Implementing a deontological policy;

- Recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Fund's interests; or
- Setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Fund and the Shareholders are fairly treated.

### **Delegation of functions**

The Depositary may delegate to third parties the safe-keeping of the Fund's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

The Depositary shall exercise care and diligence in choosing and appointing the third-party delegates so as to ensure that each third-party delegate has and maintains the required expertise, competence. The Depositary shall also periodically assess whether the third-party delegates fulfil applicable legal and regulatory requirements and will exercise ongoing supervision over each third-party delegate to ensure that the obligations of the third-party delegates continue to be competently discharged.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the custody delegation relationship. In order to prevent such potential conflicts of interest from crystalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

### **Miscellaneous**

A list of these delegates and sub-delegates for its safekeeping duties is available in the website [http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits\\_delegates\\_EN.pdf](http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits_delegates_EN.pdf).

Such list may be updated from time to time. Updated information on the Depositary's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

The Fund and the AIFM acting on behalf of the Fund may release the Depositary from its duties with ninety (90) days written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to the Fund. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary, as defined in the agreement signed to this effect. The replacement of the Depositary shall happen within two months.

## **5 THE DOMICILIARY AGENT**

The Fund has appointed UBP Asset Management (Europe) S.A. as its Domiciliary Agent.

## **6 THE ADMINISTRATIVE, REGISTRAR- AND TRANSFER AGENT**

Under the terms of the administrative agency, registrar and transfer agency, and paying agency agreement, the Fund has appointed CACEIS Bank Luxembourg Branch, to act as administrative, corporate and paying agent as well as registrar and transfer agent. As such, CACEIS Bank Luxembourg Branch is responsible for performing the general administrative functions required by Luxembourg law, processing the issue and redemption of

Shares, calculating the Net Asset Value of the Classes and the Net Asset Value per Share and for maintaining the accounting records of the Fund.

CACEIS Bank Luxembourg Branch is a bank incorporated as a *société anonyme* under the laws of Luxembourg. Its registered office is situated at 5, allée Scheffer, L-2520 Luxembourg. With effect as of 31<sup>st</sup> December 2016, CACEIS Bank Luxembourg was through a cross-border merger by way of absorption by CACEIS Bank France, a public limited liability company (*société anonyme*) incorporated under the laws of France with a share capital of 440,000,000 Euros, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, identified under number 692 024 722 RCS Paris, turned into the Luxembourg branch of CACEIS Bank France and was named CACEIS Bank Luxembourg Branch. CACEIS Bank Luxembourg Branch is empowered to delegate, under its full responsibility, all or part of its duties as central administration agent to a third Luxembourg entity, with the prior consent of the Board of Directors.

## **7 THE AUDITOR**

Deloitte Audit Sàrl has been appointed as Auditor of the Fund. The Fund has instructed the Auditor as follows:

- i) to perform an annual audit of the Fund;
- ii) to determine whether the Board of Directors, the AIFM, the Investment Manager, the Depositary and the Administrative Agent have observed the provisions of this Prospectus as well as those of all applicable laws and regulations;

The Auditor must carry out the duties provided by the Law of 2010 and the AIFM Law. In this context, the main mission of the Auditor is to audit the accounting information given in the annual report.

The Auditor is also subject to certain reporting duties vis-à-vis the regulators as more fully described in the AIFM Rules.

## **8 SHAREHOLDER'S RIGHTS AGAINST THE FUND'S SERVICE PROVIDERS**

It should be noted that Shareholders will only be able to exercise their rights directly against the Fund and will not have any direct contractual rights against the service providers of the Fund appointed from time to time. The foregoing is without prejudice to other rights which Investors may have under ordinary rules of law or pursuant to certain specific piece of legislation (such as a right of access to personal data).

## **IX. THE SHARES**

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The shares issued by the Fund are issued in registered form. They are freely transferable and entitled to participate equally in the profits and liquidation proceeds attributable to each Sub-Fund concerned. The shares, which are of no par value and which must be fully paid upon issue, carry no preferential or preemptive rights and each share is entitled to one vote at all meetings of shareholders. Fractions of shares do not carry voting rights.

No share certificates are issued.

Different Classes of shares may be issued within each Sub-Fund as set out in the relevant Annex.

The Fund may restrict or prevent the ownership of shares by any person, firm or corporation, if such holding results in a breach of applicable laws and regulations, whether Luxembourg or foreign, or if it may be detrimental to the Fund. More specifically, the Fund may restrict the ownership of shares by any person who is precluded from holding shares either alone or in conjunction with any other person is a beneficial owner of shares, the Fund may compulsorily purchase or redeem all the shares so owned.

## **X. DISTRIBUTIONS**

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Unless otherwise stated in a Sub-Fund's Annex, it is not the intention of the Fund to make distributions of net income or capital gains by way of dividends or distributions.

## **XI. ISSUE, REDEMPTION AND CONVERSION OF SHARES**

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### **A. ISSUE OF SHARES**

Shares in the Fund are issued in registered form. Registered shareholders will receive a confirmation of their shareholding. Fractions of shares may be issued up to four decimal places.

The Fund may impose a minimum subscription and minimum holding requirement for each registered shareholder in the different Sub-Funds and/or the different Classes of shares within each Sub-Fund as set out in the relevant Annex. This amount shall be determined by reference to the Subscription Price paid in respect of the shares held.

The Fund shall not give effect to any transfer of shares in its register as a consequence of which an Investor would not meet the minimum holding requirement referred to in the relevant Annex.

The Fund will require from each registered shareholder acting on behalf of other Investors that any assignment of rights to the shares of the Fund be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the minimum holding requirement.

The issue price of new shares shall be based on the prevailing Net Asset Value of the shares of the relevant Class (the "Subscription Price").

The Board of Directors of the Fund may decide to issue Shares against contribution in kind in accordance with Luxembourg law. The assets contributed must be valued in a report issued by the Fund's auditor, to the extent required by Luxembourg law. Any costs incurred in connection with a contribution in kind shall be borne by the relevant shareholder.

A Subscription Charge not exceeding 3.00% of the Subscription Price may be added to compensate selected financial intermediaries and other persons who assist in the placement of shares (see relevant Annex).

The Board of Directors of the Fund has adopted a policy of controlling the growth of each Sub-Fund and may therefore from time to time restrict or suspend the offering of new shares of any Sub-Fund. This policy would be without effect on the redemptions of the shares.

The Fund reserves the right to reject in whole or in part any subscription application. In addition, the Board of Directors reserves the right to suspend the issue and sale of shares at any time and without notice.

No shares of any Sub-Fund and/or Class will be issued by the Fund during any period when the calculation of the Net Asset Value per share of such Sub-Fund and/or Class is suspended (see "*Valuation of Shares*" below).

For applications for shares of any Sub-Fund, see the specific terms and conditions in the relevant Annex applicable to each of them.

### **Fight against money laundering**

The legal and regulatory provisions set various obligations for financial professionals with a view to preventing the use of Undertakings for Collective Investment for money laundering.

As a result, the identity of subscribers and, if applicable, any economic beneficiaries, will need to be revealed and documented in accordance with these legal and regulatory provisions.

If any information or documents required for identification purposes is missing, this may result in subscription and/or redemption applications being suspended.

## **Ban on LATE TRADING and MARKET TIMING**

*Late Trading* is defined as accepting an application for subscription, conversion, or redemption of shares after the time limit (as set out above) on the Valuation Day in question and the performance of such requests based on the net asset value which applies on such a day. *Late Trading* is strictly prohibited.

*Market Timing* is an arbitrage transaction by means of which an investor systematically subscribes to and buys back or converts the Fund shares in a short period of time, exploiting the time differences and/or imperfections or deficiencies in the system used to determine the net asset value of the sub-fund concerned. *Market Timing* practices can disrupt the management of investment portfolios and damage the performance of the sub-fund concerned.

In order to prevent such practices, shares will be issued at an unknown price and neither the Fund nor the Fund's share sales agents will accept orders received after the applicable time limits.

The Fund reserves the right to refuse subscription orders, conversion orders, or buy-back orders for a sub-fund made by any person suspected of carrying out *Market Timing*.

## **B. REDEMPTION OF SHARES**

The shareholders shall have the right, on such dates as determined in the relevant Annex for each Sub-Fund, to present their shares for redemption to the Fund. If, as a result of a redemption request, the value of any holding decreases below the minimum holding set out in the relevant Annex, the Board of Directors may decide to treat such request as a request for the redemption of the entire holding.

A shareholder may not withdraw his request for redemption except in the event of a suspension of the valuation of the assets of the Fund in the circumstances described below, under "*Valuation of Shares*". The Fund may suspend the Investors' right to require the Fund to redeem their shares during any period when the determination of the Net Asset Value of the shares of the Sub-Fund and/or Class is suspended as provided under "*Valuation of Shares*" below.

In the event of a suspension of redemptions, a withdrawal of redemption requests will be effective only if written notification is received by the Administrative Agent before the termination of the period of suspension. If the request is not so withdrawn the redemption will be made on the Valuation Day (as defined for each Sub-Fund) next following the end of the suspension.

The Redemption Price is based on the Net Asset Value per share.

If redemption requests for more than 10% of the Net Asset Value of a Sub-Fund are received, then the Fund shall have the right to limit redemptions so that they do not exceed this threshold amount of 10%. Redemptions shall be limited with respect to all shareholders seeking to redeem shares as of this same day so that each such shareholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Fund on the next day on which redemption requests are accepted, subject to the same limitation. On such day, such requests for redemption will be complied with in priority to subsequent requests.

## **C. CONVERSION OF SHARES**

As a general rule, the conversion of shares of one Sub-Fund into shares of any other Sub-Fund is possible subject to the redemption conditions that apply to shares of the initial Sub-Fund and to the subscription conditions that apply to the shares of the target Sub-Fund.

Unless otherwise provided in the relevant Annex, the shareholders shall have the right, on such dates as determined in the relevant Annex for each Sub-Fund, to present all or part of their shares for conversion in one Class into shares of another Class of the same Sub-Fund as set out in the relevant Annex. However, this right to convert shares of one Class into shares of another Class of the same Sub-Fund is subject to compliance with any conditions (including any minimum subscription and holding amounts) applicable to the Class into which the conversion is to be effected. In addition, if, as a result of a conversion request, the value of any holding in any Class decreases below the minimum holding amount set out in the relevant Annex for that Class, the Board of

Directors of the Fund may decide to treat such request as a request for a conversion of the entire holding.

The Fund may suspend the Investors' right to require the Fund to convert their shares of one Class into shares of another Class of the same Sub-Fund during any period when the determination of the Net Asset Value of the shares of the relevant Sub-Fund is suspended as provided under "*Valuation of Shares*" below.

The conversion will be made at the respective Net Asset Values per share of the Classes concerned determined as of the applicable Valuation Date in accordance with the following formula:

$$N = \frac{E \times R}{S}$$

Where:

N is the number of new shares of the relevant Class to be allotted

E is the number of existing shares of the Class to be converted

R is the Net Asset Value per share of the existing shares to be converted

S is the Net Asset Value per share of the new shares of the Class to be allotted

To the extent the Net Asset Value of the shares to be converted is determined in another currency than the Net Asset Value of the shares to be allotted, the Net Asset Value of the shares of the Class out of which the conversion is requested shall be converted into the reference currency of the Class into which the conversion is requested. The foreign exchange rate used to implement the conversion will be the one prevailing in the foreign exchange market.

If certificates were issued for the shares to be converted, new certificate(s) shall only be issued at the Shareholder's request and upon receipt by the Fund's Registrar and Transfer Agent of such former certificates.

A shareholder may not withdraw his request for conversion except in the event of a suspension of the valuation of the assets of the Fund in the circumstances described below, under "*Valuation of Shares*".

In the event of a suspension of the valuation, a withdrawal of conversion requests will be effective only if written notification is received by the Administrative Agent before the termination of the period of suspension. If the request is not so withdrawn the conversion will be made on the basis of the Net Asset Value per share of the Classes concerned calculated on the Valuation Day (as defined for each Sub-Fund) following the end of the suspension.

## **XII. VALUATION OF THE SHARES**

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The Net Asset Value of the shares of each Class of each Sub-Fund is determined in its base currency as specified in the relevant Annex. It shall be determined as of each Valuation Day (as defined for each Sub-Fund), normally within 10 Business Days after such Valuation Day (unless stated otherwise in the relevant Annex for a Sub-Fund) by dividing the net assets attributable to each Class of each Sub-Fund by the number of shares of such Class of a Sub-Fund then outstanding. The net assets of each Class of each Sub-Fund are made up of the value of the assets attributable to such Class within each Sub-Fund less the total liabilities attributable to such Class calculated at such time as the Board of Directors shall have set for such purpose.

The latest Net Asset Values and/or market prices of the Fund and/or the Shares, as the case may be, are available at the registered office of the AIFM.

The assets and liabilities of the Fund shall be allocated in such a manner so that the issue price received upon issue of shares connected with a specific Class of a Sub-Fund shall be attributed to that Class. All assets and liabilities of the Class as well as income and expenses which are related to a specific Class shall be attributed to that Class. Assets or liabilities which cannot be attributed to any Sub-Fund or Class shall be allocated to all the Sub-Funds and/or Classes pro rata to the respective Net Asset Value of the Sub-Funds or Classes. The

proportion of the total net assets attributable to each Class shall be reduced as applicable by the amount of any distribution to shareholders and by any expenses paid.

In determining the value of the assets of the Fund shares or units in open-ended underlying UCIs will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, or if no such actual net asset value is available they shall be valued at the estimated net asset value as of such Valuation Day, or if no such estimated net asset value is available they shall be valued at the last available actual or estimated net asset value which is calculated prior to such Valuation Day whichever is the closest to such Valuation Day, provided that if events have occurred which may have resulted in a material change in the net asset value of such shares or units since the date on which such actual or estimated net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Directors, such change.

In respect of shares or units held by the Fund, for which issues and redemptions are restricted and a secondary market trading is effected between dealers who, as main market makers, offer prices in response to market conditions, the Directors may decide to value such shares or units in line with the prices so established.

If events have occurred which may have resulted in a material change of the net asset value of such shares or units in other UCIs since the day on which the latest net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Directors, such change of value.

Securities held by the Fund (including shares or units in closed-end UCIs) which are quoted or dealt in on a stock exchange will be valued at its latest available stock exchange closing price made public and where appropriate the middle market price on the stock exchange which is normally the principal market for such security and each security dealt in on any other organised market will be valued in a manner as near as possible to that for quoted securities.

The value of a security not denominated in the relevant Sub-Fund's base currency is determined in its national currency and converted into the relevant Sub-Fund's base currency at the foreign exchange rate in effect at 9:00 a.m. CET (Central European Time) as of the relevant Valuation Day (as defined for each Sub-Fund).

The value of securities not quoted or dealt in on a stock exchange or another organised market and of securities which are so quoted or dealt in but in respect of which no price quotation is available or the price quoted is not representative of the securities' fair market value, shall be determined prudently and in good faith on the basis of their reasonably foreseeable sale prices. All other assets will be valued at their respective fair values as determined in good faith by the Directors in accordance with generally accepted valuation principles and procedures.

Derivative financial instruments listed on a stock exchange or traded on a regulated market will be valued at their closing price on the Business Day preceding the Valuation Day on the stock exchanges or regulated markets in this way.

The value of any derivative financial instruments that are not listed on a stock exchange or traded on another regulated market will be determined each day on a reliable basis and verified by a competent professional appointed by the Fund in line with market practices.

Money market instruments and cash will be valued at face value to which shall be added interest accrued.

The Directors may suspend the determination of the Net Asset Value of the Fund's and/or its Sub-Funds shares and the issue and redemption of its shares during:

- i) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Fund from time to time are quoted is closed otherwise than for ordinary holidays, or during

which dealings therein are restricted or suspended;

- ii) any period when the net asset value of one or more UCIs, in which the Fund will have invested and the units or the shares of which constitute a significant part of the assets of the Fund, cannot be determined accurately so as to reflect their fair market value as at the Valuation Day (as defined for each Sub-Fund);
- iii) the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by the Fund would be impracticable;
- iv) any breakdown in the means of communication or computation normally employed in determining the prices or values of any of the investments or the current prices or values on any market or stock exchange; or
- v) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares cannot in the opinion of the Directors be effected at normal rates of exchange.

Additional information in relation to the Fund's valuation procedure and of the pricing methodology for valuing the Fund's assets, [including as the case may be the methods used in valuing hard-to-value assets and the appointment of external valuers in accordance with Article 17 of the AIFM Law, is available at the registered office of the AIFM.

The issue, redemption and conversion of shares in the Sub-Fund(s) concerned will also be suspended during any such period where the Net Asset Value is not determined.

Any such suspension shall be published in "Luxemburger Wort" if in the opinion of the Board of Directors of the Fund it is likely to exceed 10 days and shall be notified to Investors requesting issue, redemption or conversion of shares by the Fund at the time of the filing of the relevant application.

### **XIII. FEES AND EXPENSES**

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The AIFM is entitled to receive, out of the assets of the Fund a Service Fee. The Service Fee includes the fee for the Depository Bank, the Domiciliary Agent and the Administrative, Registrar and Transfer Agent who will be paid by the AIFM out of this Service Fee.

The AIFM will receive a management fee for its services as AIFM of the Fund as specified for each Sub-Fund and/or Class within each Sub-Fund in the relevant Annex and will pay the Investment Manager out of this management fee.

It is to be noted that in addition to a management fee, the Investment Manager is also entitled to receive from the Fund performance fees at the rates and in accordance with the terms and conditions specified for each Sub-Fund and/or Class within each Sub-Fund in the relevant Annex. These performance fees shall all be subject to the high water mark principle. Pursuant to this principle the Investment Manager shall only be entitled to receive a performance fee if, in case the relevant Sub-Fund or Class has incurred losses, such losses have been fully recouped and if the Net Asset Value of the relevant Sub-Fund or Class has reached a new all-time high and has exceeded the Hurdle-Rate.

The Fund bears all costs and expenses directly incurred in the operations including the following:

- i) all operational costs, including fees payable to accountants, any paying agent and permanent representatives in places of registration;
- ii) all costs and expenses associated with other agents employed by the Fund, including fees for legal, auditing services, structuring and other professional advisory fees, third party expenses incurred in connection with any of the Fund's investment activities (e.g. research, risk monitoring and due diligence services),

promotional, printing, reporting and publishing expenses, including the cost of advertising or preparing and printing of prospectuses, explanatory memoranda or registration statements, taxes or governmental charges;

- iii) all costs for the listing of the shares of the Fund on any stock exchange or regulated market and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and fax;

All expenses are accrued in the price of the shares.

The Board Members shall be entitled to receive a maximum annual fee, which in the aggregate shall not exceed USD 50,000.-.

It should be noted that the investment policy of the Fund is to invest in UCIs and will result in a duplication of certain costs that will be charged both to the underlying UCIs by their service providers, as well as to the Fund by its service providers. Such costs will include, but are not limited to depositary, administration, domiciliary, management fees, audit expenses and other associated costs.

If the Fund acquires units or shares of other UCIs that are managed by Union Bancaire Privée or any of its affiliates the Fund may not be charged any issuing or redemption commission of the associate target UCIs except where such commission are retained by the related UCI. Moreover, there will be no duplication of the management fees in consideration with investments in such associate target UCIs.

Costs and expenses which cannot be allotted to one specific Sub-Fund or Class will be charged to the different Sub-Funds or Classes proportionally to their respective net assets.

The maximum amount of fees, charges and expenses to be borne directly or indirectly by Investors for each class of shares is available at the registered office of the AIFM.

The amounts charged are shown in the Fund's financial reports.

## **XIV. TAXATION**

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### **A. THE FUND**

Under current law and practice the Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg or European withholding tax, at the Fund's level. However, the Fund is normally liable in Luxembourg to a tax of 0.05 % per annum of its net assets. Such tax rate is reduced to a rate of 0.01% in respect of the net assets attributable to such Classes of shares which are reserved for institutional investors within the meaning of, and as provided for in, article 174 (2) of the Luxembourg law of 17<sup>th</sup> December 2010 regarding collective investment undertakings as amended. Such tax is payable quarterly and calculated on the Net Asset Value of the relevant Class at the end of the relevant quarter. For the portion of the assets of the Fund invested in other UCIs which are established in Luxembourg, no such tax is payable. No stamp duty or other tax is payable in Luxembourg on the issue of shares in the Fund.

Under current law and practice, it is anticipated that no capital gains tax is payable on the realised or unrealised capital appreciation of the assets of the Fund.

Dividends and interest on securities issued in other countries may be subject to withholding taxes imposed by such countries.

### **B. SHAREHOLDERS**

Subject to the European tax considerations set forth hereafter, under current legislation shareholders are not

subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg (except for (i) those domiciled, resident or having a permanent establishment in Luxembourg or (ii) non-residents of Luxembourg who hold more than 10% of the share capital of the Fund and who dispose of all or part of their holdings within 6 months from the date of acquisition or (iii) in some limited cases, some former residents of Luxembourg, who hold more than 10 % of the share capital of the Fund and who realise their shares within five years from their departure from Luxembourg).

### **C. EUROPEAN TAX CONSIDERATIONS**

The Council of the European Union has adopted on 3 June 2003 a Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Savings Directive"). Under the Savings Directive, European Union Member States are required to provide the tax authorities of another Member State with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain limited types of entities called residual entities established, in that other Member State.

For a transitional period, Austria and Luxembourg (unless during such period they elect otherwise) are instead permitted to apply a withholding tax system in relation to such payments. The rate of the withholding tax is 35%.

The Savings Directive and certain agreements concluded with certain dependant and associated territories ("Territories") have been implemented in Luxembourg by the laws dated 21 June 2005 (the "EUSD Laws"). Under the EUSD Laws, interest payments made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the EUSD Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax rate of 35%. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent.

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

Pursuant to current legislation, dividends paid by the Company, as well as payments upon redemption, sale or refund of Shares in the Company, are not treated as interest within the meaning of the Savings Directive.

The Luxembourg government has announced that it will elect out of the withholding system in favour of the automatic exchange of information with effect as from 1 January 2015.

On 24 March 2014 the Council of the European Union adopted Council Directive 2014/48/EU amending the Savings Directive. Member States have to adopt and publish by 1 January 2016, the laws, regulations and administrative provisions necessary to comply with this directive. Council Directive 2014/48/EU enlarges inter alia the scope of the Savings Directive by extending the definition of interest payments and will cover income distributed by or income realised upon the sale, refund or redemption of shares or units in undertakings for collective investment or other collective investment funds or schemes, that either are registered as such in accordance with the law of any of the Member States or of the countries of the European Economic Area which do not belong to the European Union, or have fund rules or instruments of incorporation governed by the law relating to collective investment funds or schemes of one of these States or countries, irrespective of the legal form of such undertakings, funds or schemes and irrespective of any restriction to a limited group of investors, in case such undertakings, funds or schemes invest, directly or indirectly, a certain percentage of their assets in debt claims as defined under the amended Savings Directive.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the Council Directive 2014/48/EU amending the Savings Directive.

### **D. FATCA**

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore

Employment Act, became law in the United States in 2010. It requires financial institutions outside the US (“foreign financial institutions” or “FFIs”) to pass information about “Financial Accounts” held by “Specified US Persons”, directly or indirectly, to the US tax authorities, the Internal Revenue Service (“IRS”) on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement (“IGA”) with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA, once the IGA has been implemented into Luxembourg law in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes (“reportable accounts”). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. In accordance with the Luxembourg IGA, the Fund has appointed the AIFM as Sponsoring Entity and will operate under the latter’s GIIN until further notice. The Fund therefore qualifies as Non-Reporting Luxembourg Financial Institution and shall be treated as deemed-compliant FFI for purposes of section 1471 of the U.S. Internal Revenue Code.

To ensure the Fund’s compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the AIFM, in its capacity as the Fund’s AIFM, may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder’s FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder’s FATCA status;
- b. report information concerning a shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA; and
- c. deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Fund in accordance with FATCA and the Luxembourg IGA.

## **E. COMMON REPORTING STANDARD (CRS)**

The Organisation for Economic Co-operation and Development (“**OECD**”) has developed a common reporting standard (“**CRS**”) to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the “**Euro-CRS Directive**”) was adopted in order to implement the CRS among the Member States. The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on automatic exchange of information regarding financial accounts in tax-related matters and implementing Council Directive 2014/107/EU of 9 December 2014 (the “**CRS Law**”). The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in an EU Member State other than Luxembourg or in a country specified in a Grand-Ducal Regulation. Accordingly, the Fund may require its Shareholders to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a Shareholder and his/her/its account to the Luxemburg tax authorities, if such account is deemed a CRS reportable account under the CRS Law. The Luxembourg tax authorities will therefore transfer this information to the competent foreign authorities on a yearly basis. Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

By investing in the Fund, the Shareholder acknowledges that (i) the Fund is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will inter alia be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities; (iv) responding to CRS-related questions is mandatory; and (v) the Shareholders have a right of access to and rectification of the data communicated to the Luxembourg tax authorities. In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to exchange information automatically under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis. The investors undertake to inform the Fund (or any third party appointed by it) within thirty (30) days and provide an updated self-certification form where any change in circumstances occurs, which causes any of the information contained in the self-certification form to be incorrect.

Investors should consult their professional advisers on the individual impact of the CRS.

## **XV. DATA PROTECTION**

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Investors are informed that the Fund, as data controller (the "**Data Controller**"), collects, stores and processes by electronic or other means personal data (i.e. any information relating to an identified or identifiable natural person, hereafter, (the "**Personal Data**")) supplied by the Investors at the time of their subscription and at any other time during the contractual relationship, in accordance with data protection law applicable in Luxembourg (including, but not limited to, the amended law of 2 August 2002 on the protection of persons with regard to the processing of personal data (the "**2002 Law**") and, when applicable, the Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the "**General Data Protection Regulation**", together with the Law of 2002, the "**Data Protection Law**")) for the purpose of fulfilling the services required by the Investors and/or for complying with legal and regulatory obligations as described below.

Personal Data processed includes amongst others (i) the name, address, telephone number, business contact information, employment and job history, financial and credit history information, current and historic investments, investment preferences and invested amount of the Investor as well as (ii) the same information concerning the Investor's representative(s) (including, without limitation, legal representatives), employees, directors, officers, trustees, settlors, authorised signatories, shareholders, unitholders, nominees and/or ultimate beneficial owner(s) (as applicable) (the "**Data Subjects**") and any other Personal Data that is necessary to the Fund and/or the Entities (as defined below) for the purposes described thereafter. Personal Data will be collected directly from the Investor or the other Data Subjects and may also be collected through publicly accessible sources, social media, subscription services or other third party data sources.

In particular, Personal Data may be processed for the purpose of carrying out the services provided by the Fund or the Entities (as defined below) such as, for the purposes of account and distribution, administration, processing subscriptions or drawdown of commitments, assessing the Investor's qualification as eligible or well-informed Investor, maintaining the register of Shareholders, handling communications to the Investors as well as to provide services relating from any agreement entered into between the Fund and a service provider in relation to the Fund's investments (the "**Investment Services**"). Personal Data may also be processed by the Data Controller and the Entities in order to comply with their legal or regulatory obligations including, but not limited to, legal or regulatory obligations under applicable Fund and company law (such as due diligence relating to Investors and monitoring of transactions to comply with anti-money laundering and counter-terrorist financing law, tax law and similar laws and regulations in Luxembourg or at EU level).

The Fund may collect, use, store, retain, transfer and/or otherwise process Personal Data: (i) on the basis of Investors' consent and/or; (ii) as a result of the subscription of the Investor where necessary to perform the Investment Services or to take steps at the request of the Investor such subscription, including the holding of shares of the Fund in general and/or; (iii) where necessary to comply with a legal or regulatory obligation of the Fund and/or; (iv) in particular where the Subscription Agreement is not entered into directly by the Investor as natural persons, Personal Data may be processed where necessary for the purposes of the legitimate

interests pursued by the Fund or by the Entities (as defined below), which mainly consist in the provision of the Investment Services to the Investors, or compliance with foreign laws and regulations and/or any order of a foreign court, government, regulatory or tax authority, including when providing such Investment Services to any beneficial owner and any person holding a direct or indirect interest in the Investor.

In accordance with Data Protection Law, Personal Data may be disclosed to and / or processed by the AIFM, the Depositary, the Administrative Agent, the Domiciliary Agent, the Initiator, the Auditor of the Fund, accountants, (foreign) court, governmental or regulatory bodies including tax authorities lenders, investment managers, investment advisers, paying agents and subscription and redemption agents, distributors as well as permanent representatives in places of registration, other service providers of the Fund (including its information technology providers), any lender to the Fund or related entities (including without limitation their respective general partner or management company/investment manager and service providers) in or through which the Fund intend to invest, and any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns (together hereafter, and solely for the purposes above mentioned, the "**Entities**"). The Entities may act as data processors on behalf of the Data Controller or, in certain circumstances, as data controller, in particular for compliance with their legal obligations in accordance with applicable laws and regulations (such as anti-money laundering identification) and/or order of competent jurisdiction. The Investors acknowledge that the Entities may be located outside of the European Economic Area ("**EEA**") in countries which do not ensure an adequate level of protection according to the European Commission and where data protection and/or professional secrecy laws might not exist or be of a lower standard than in the EEA.

The Data Controller undertakes not to transfer the Personal Data to any third parties other than the Entities, except as disclosed in the documentation provided to the Investors or if required or permitted by applicable laws and regulations or court order and in compliance with Data Protection Laws.

By subscribing or purchasing shares of the Fund, investors acknowledge and accept to the processing of their information and the disclosure of Personal Data they provide to the Entities referred to above (including companies situated in countries outside of the EEA which may not have the same data protection laws as in Luxembourg) for the purposes described above. The transfer of data to the aforementioned Entities may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the EEA.

The Fund undertakes not to transfer the Personal Data to any third parties other than the Entities acting as data processors, except as disclosed herein or if required by applicable laws regulations or court order. This may include disclosure to third parties such as governmental or regulatory bodies including tax authorities, auditors or accountants as well as legal and financial advisers who may process the Personal Data for carrying out their services and complying with legal and regulatory obligations as described above. This transfer and disclosure of Personal Data may take place to countries which do not have equivalent data protection laws to those of the EEA, or that are not subject to an adequacy decision of the European Commission, including the Data Protection Law and the Luxembourg law of 5 April 1993 on the financial sector which provides for a professional secrecy obligation (including but not limited to, Switzerland). The Data Controller may only transfer the Personal Data for the purposes of providing the Investment Services to the Data Subjects or for compliance with applicable laws and regulations, as described herein.

The Fund may transfer the Personal Data to the Entities (i) on the basis of an adequacy decision of the European Commission with respect to the protection of personal data and/or on the basis of the EU-U.S. Privacy Shield framework or, (ii) on the basis of appropriate safeguards listed by and subject to the provisions of Article 46 of the General Data Protection Regulation (when applicable), such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism or, (iii) on the basis of the Investor's explicit consent or, (iv) where necessary for the performance of the Investment Services or for the implementation of pre-contractual measures taken at the Investor's request or, (v) where necessary for the Entities to perform the Investment Services or other services rendered in connection with the Investment Services or, (vi) where necessary for important reasons of public interest or, (vii) where necessary for the establishment, exercise or defence of legal claims or, (viii) where the transfer is made from a register, which is legally intended to provide information to the public or, (ix) subject to the provisions of

Article 49.1 of the General Data Protection Regulation (when applicable), where the transfer is necessary for the purposes of compelling legitimate interests pursued by the Fund, which are not overridden by the interests or rights and freedoms of Data Subjects. Further details as to the legal basis of a transfer may be obtained by contacting UBP Asset Management (Europe) S.A., 287-289, route d'Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg, to the attention of the conducting officer in charge of compliance.

Where the processing of Personal Data or transfer of Personal Data outside of the EEA takes place on the basis of the consent of the Data Subjects, the Data Subjects are entitled to withdraw their consent at any time without prejudice to the lawfulness of the processing and/or data transfers carried out before the withdrawal of such consent and the Data Controller will accordingly cease such processing or transfers. However, the Data Subjects acknowledge that, notwithstanding any withdrawal of their consent, the Data Controller may still continue to process and/or transfer Personal Data outside the EEA if permitted by Data Protection Law or if required by applicable laws and regulations. Any change to, or withdrawal of, the Data Subjects' consent must be communicated in writing to the Fund to the attention of UBP Asset Management (Europe) S.A., 287-289, route d'Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg.

Each Investor further acknowledges and accepts that the Fund will report any relevant information in relation to investments in the Fund to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, the CRS Law or similar laws and regulations in Luxembourg or at EU level.

Failure to provide relevant Personal Data requested in the course of their relationship with the Fund may need to be reported by the Fund to the relevant Luxembourg authorities to the extent required by applicable law and may prevent the Fund from maintaining the relationship with the Investor.

Insofar as the Personal Data provided by Investors include Personal Data of their representatives and/or authorised signatories and/or shareholders and/or ultimate beneficial owners, the Investors confirm having informed them of the present section and of their rights as described below, and having secured their consent to the processing of their Personal Data as above described and, in particular, to the disclosure of their Personal Data to, and the processing of their Personal Data by, the various parties referred to above including in countries outside the European Union which may not offer a similar level of protection as that under applicable Data Protection Law in Luxembourg (including but not limited to Singapore and Hong-Kong. The Data Controller may assume, where applicable, that Data Subjects have, where necessary, given such consent and have been informed of the processing and transfer of their Personal Data and of their rights as described under this section.

Personal Data is held until the Investor ceases to hold shares in the Fund, plus a period of 10 years thereafter where necessary to comply with applicable laws and regulations or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required by applicable laws and regulations. In any case, Personal Data will not be held for longer than necessary with regard to the performance of the Investment Services, subject always to applicable legal minimum retention periods.

Each Data Subject may request (i) access to, rectification, or deletion of, any incorrect Personal Data concerning him, (ii) a restriction of processing of Personal Data concerning him and, (iii) to receive Personal Data concerning him in a structured, commonly used and machine readable format or to transmit those Personal Data to another controller in accordance with Data Protection Law and (iv) to obtain a copy of or access to the appropriate or suitable safeguards which have been implemented for transferring the Personal Data outside of the EEA, in the manner and subject to the limitations prescribed in accordance with the Data Protection Law. In particular, Data Subjects may at any time object, on request and free of charge, to the processing of its Personal Data for direct marketing purposes or for other legitimate interests. Each Investor should address such requests to the Fund to the attention of UBP Asset Management (Europe) S.A., 287-289, route d'Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg to the attention of the conducting officer in charge of compliance. For any additional information related to the processing of their Personal Data, Data Subjects can contact the Data Protection Officer of the Data Controller via post mail at UBP Asset Management (Europe) S.A., 287-289, route d'Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg or via email at [LuxUBPAM@ubp.ch](mailto:LuxUBPAM@ubp.ch).

## **XVI. LIQUIDATION OF THE FUND**

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The Fund is incorporated for an indefinite duration. It may be dissolved by decision of an extraordinary general meeting of shareholders of the Fund. Such meetings must be convened if the value of the net assets of the Fund falls below the respective levels of two thirds or one quarter of the minimum capital prescribed by Luxembourg law. At such meetings convened in such circumstances, decisions to dissolve the Fund will be taken in accordance with the requirements of article 30 of the law of 17<sup>th</sup> December 2010 on collective investment undertakings (as amended).

If the Fund should be liquidated, its liquidation will be carried out in accordance with the provisions of the Luxembourg law of 17<sup>th</sup> December 2010 relating to collective investment undertakings (as amended) which specifies the steps to be taken to enable shareholders to participate in the liquidation distribution(s) and in this connection provides for deposit in escrow at the Caisse de Consignations of any amounts which have not been claimed by shareholders at the close of liquidation. Amounts not claimed from escrow within the prescription period shall be forfeited in accordance with the provisions of Luxembourg law.

## **XVII. DISSOLUTION AND AMALGAMATION OF SUB-FUNDS AND/OR CLASSES OF SHARES**

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A Sub-Fund or Class may be dissolved by compulsory redemption of shares of the Sub-Fund or Class concerned, upon:

- a) a decision of the Board of Directors of the Fund if (i) the net assets of the Sub-Fund or Class concerned have decreased below USD 10 million or the equivalent in another currency, or (ii) the economical and/or political environment have changed, or (iii) for any economic and/or financial reasons for which the board of directors considers that it is in the interest of the shareholders to liquidate the Class.
- b) the decision of a meeting of holders of shares of the relevant Sub-Fund or Class. There shall be no quorum requirement and decisions may be taken by a simple majority of the shares of the Sub-Fund or Class concerned.

In such event the shareholders concerned will be advised and the Net Asset Value of the shares of the relevant Sub-Fund or Class shall be paid on the date of the compulsory redemption. The relevant meeting may also decide that assets attributable to the Sub-Fund or Class concerned will be distributed on a pro-rata basis to the holders of shares of the relevant Sub-Fund or Class which have expressed the wish to receive such assets in kind.

The board of directors, subject to the conditions mentioned under a) (i)-(iii) above, or a meeting of holders of shares of a Sub-Fund or Class may decide to amalgamate such Sub-Fund or Class with another existing Sub-Fund or Class or to contribute the assets (and liabilities) of the Sub-Fund or Class to another undertaking for collective investment against issue of shares of such undertaking for collective investments to be distributed to the holders of shares of such Sub-Fund or Class. The decision shall be published upon the initiative of the Fund. The publication shall contain information about the new Sub-Fund or Class or the relevant undertaking for collective investments and shall be made a month prior to the amalgamation in order to provide a possibility for the holders of such shares to redeem, without payment of any redemption fee, prior to the implementation of the transaction. For Class meetings which decide on the amalgamation of different Sub-Funds within the Fund or of different Classes within one or more Sub-Funds, or the contribution of assets and liabilities of a Sub-Fund or Class to another undertaking for collective investment, there shall be no quorum requirement and decisions may be taken by a simple majority of the shares of the Sub-Funds or the Class concerned. In case of an amalgamation with an unincorporated mutual fund (*fonds commun de placement*) or a foreign collective investment undertaking, decisions of the Class meeting of the Sub-Fund or Class concerned shall be binding only for holders of shares that have voted in favour of such amalgamation.

If following a compulsory redemption of all shares of one or more Sub-Funds or Classes payment of the redemption proceeds cannot be made to a former shareholder during a period of six months, then the amount in question shall be deposited with the Caisse de Consignations for the benefit of the person(s) entitled thereto until the expiry of the period of limitation.

## **XVIII. MEETINGS AND REPORTS**

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The annual general meeting of shareholders of the Fund will be held at the registered office of the Fund in Luxembourg on the last Thursday of April in each year at 3:00 p.m. Luxembourg time or if any such day is not a bank business day in Luxembourg on the next following bank business day. Notices of all general meetings will be published on the *Recueil Electronique des Sociétés et Associations* ("RESA") to the extent required by Luxembourg law and in such newspapers as the Board of Directors shall determine and will be sent to the shareholders by post at least eight days prior to the meeting at their addresses in the register of shareholders. Shareholders having specifically agreed thereto may be convened by email. Such notices will include the agenda and specify the time and place of the meeting, the conditions of admission and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in Articles 67, 67-1 and 68 of the Law of 10<sup>th</sup> August 1915 on commercial companies (as amended) of the Grand-Duchy of Luxembourg and in the Articles. The same provisions shall apply to the Sub-Fund and/or Class meetings.

Matters regarding the Sub-Funds or Classes, such as the vote on the payment of a dividend on a particular Sub-Fund or Class, may be decided by a vote of the meeting of shareholders of the Sub-Fund or Class concerned.

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

Audited annual reports and unaudited semi-annual reports will be made available at the registered office of the Fund. The accounting year of the Fund terminates on 31<sup>st</sup> December in each year. The base currency of the Fund is the USD. The aforesaid reports will comprise consolidated financial statements of the Fund expressed in USD as well as financial information on each Sub-Fund expressed in the base currency of each Sub-Fund as indicated in the relevant Annexes. The audited annual report and accounts for each Sub-Fund in respect of each financial year shall be prepared in accordance with LuxGAAP.

## **XIX. GENERAL INFORMATION**

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### **A. Procedures for amending the Prospectus**

Should any amendments of the Prospectus entail an amendment of the Articles or require the decision to be made by the general meeting of Shareholders of the Fund or of one or several Sub-Funds, such decision shall be passed by a resolution of an extraordinary general meeting of Shareholders in accordance with the form, quorum and majority requirements set forth in the Articles and in compliance with Luxembourg laws and regulations.

The Board of Director is also authorised to amend any other provision of the Prospectus, provided such changes are not material to the structure and/or operations of the Fund and its Sub-Funds and are beneficial or at least not detrimental to the interests of the Shareholders of the Fund, any Sub-Fund or any Class, as the case may be, as determined by the Board of Directors at its sole but reasonable discretion and subject to the prior approval of the CSSF. In such case, the Prospectus will be amended and the Shareholders will be informed thereof, for their information purposes only. For the avoidance of doubt, Shareholders will not be offered the right to request the cost-free redemption of their Shares prior to such changes becoming effective.

As a matter of example, this Prospectus may notably be amended by the Board of Directors without the consent of the Shareholders if such amendment is intended:

- (a) to change the name of the Fund and/or the name of the Sub-Fund;
- (b) to acknowledge any change of the depositary, domiciliary, administrative agent, registrar and transfer agent, the auditor or of the composition of the board of directors of the Fund;
- (c) to implement any amendment of the law and/or regulations applicable to the Fund and its respective affiliates;
- (d) as the Board of Directors determines in good faith to be advisable in connection with legal, tax, regulatory, accounting or other similar issues affecting one or more of the Shareholders, so long as such amendment does not materially and adversely affect the Shareholders, as determined by the Board of Directors in its sole discretion;
- (e) to correct any printing, typing or secretarial error and any omissions, provided that such amendment not adversely and significantly affect the interests of the Shareholders or update any factual information;
- (f) to make any other change which is for the benefit of, or not materially adverse to the interests of the Shareholders of the Fund; and
- (g) to reflect the creation of additional sub-funds and/or share classes within the Fund.

The Board of Directors is authorised to make other amendments to the provisions of the Prospectus (such as the change of the fee structure of the Fund or the Sub-Fund), subject to the approval of the CSSF, provided that such changes shall only become effective and the Prospectus amended accordingly, in compliance with the SIF Law to the extent the procedures set forth below have been complied with (unless otherwise provided for in the relevant Sub-Fund Particulars):

- (i) in an open-ended Sub-Fund, provided that there is sufficient liquidity, all Shareholders have been offered a cost-free redemption of their Shares within a one (1) month period from the sending of such notice to all Shareholders or Shareholders of the relevant Sub-Fund or Class in cases where such amendments are only applicable to Sub-Fund or Class. Such changes shall become effective only after the expiry of this one-month period; or
- (ii) in a closed-ended Sub-Fund or in the event that the cost-free redemption is not possible because the assets of the Sub-Fund are illiquid, the Shareholders shall not have a right to request cost-free redemption of their Shares and the Board of Directors shall seek a prior approval of such amendments by a decision of the general meeting of Shareholders passed with (1) at least three quarters (3/4) of the votes attached to all Shares issued by the Fund (or where applicable, in the relevant Sub-Fund or Class) and validly cast by those present or represented at the meeting; and (2) a presence quorum requirement of at least three quarters (3/4) of the capital of the Fund (or where applicable, of the relevant Sub-Fund or Class).

If the laws and regulations applicable to the Fund or having an impact on the Fund's operation change (either at Luxembourg level or European level and such changes require compulsory amendment to the structure of the Fund or its operations, then the Board of Directors shall be authorized to amend any provision of this Prospectus, subject to the prior approval of the CSSF. In such case, and provided that such compulsory amendment to the structure or the operations of the Fund does not require the involvement of the general meeting of Shareholders of the Fund or the Sub-Fund, then the Prospectus will be updated and the Shareholders will be informed thereof, for their information purposes only without any other involvement in the decision making process prior to the effectiveness of the above mentioned amendment. For the avoidance of doubt, in this case, the Shareholders will not be offered the right to request the cost-free redemption of their Shares prior to the changes becoming effective.

## **B. Liquidity risk management**

The Fund benefits from a liquidity risk management system. In this context, procedures have been put in place to enable a monitoring of the liquidity risks of the Fund and to ensure that the liquidity profile of the Fund's

investment portfolio is such that the Fund can normally meet its Share redemption obligations. Procedures have also been adopted to address redemption rights in exceptional circumstances, including so-called special arrangements, which procedures are described in the Articles and this Prospectus. Additional information in this respect is also made available at the registered office of the AIFM

Investors are further informed that the percentage of the assets of the Fund which are subject to special arrangements arising from their illiquid nature, any new arrangements for managing the liquidity of the Fund, as well as the current risk profile of the Fund and the risk management systems employed to manage those risks are or will be disclosed at the registered office of the AIFM . The frequency or timing of such disclosure is available at the registered office of the AIFM.

### **C. Fair and preferential treatment**

Shareholders are being given a fair treatment by ensuring that they are treated in accordance with the applicable requirements of the AIFM Law (and notably in adequately implementing the inducement and conflict of interest policies).

Notwithstanding the foregoing paragraph, it cannot be excluded that a Shareholder be given a Preferential Treatment in the meaning of, and to the widest extent allowed by, the Articles. Whenever a Shareholder obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of Shareholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Fund or the AIFM will be made available at the registered office of the AIFM within the limits required by the AIFM Law.

### **D. Historical performances**

If any Fund's historical performance is required to be produced by the AIFM or the Fund it will be made available at the registered office of the AIFM.

### **E. Execution policy**

Appropriate information on the execution policy referred to in Article 28 of the AIFM Regulation (headed "Placing orders to deal on behalf of AIFs with other entities for execution") and on any material changes to that policy is available at the registered office of the AIFM.

### **F. Voting strategies**

A summary description of the AIFM's voting strategies and details of the actions taken on the basis of these strategies will be made available to the Investors on their request at the registered office of the AIFM.

### **G. Inducements**

According to the AIFM Rules, when the AIFM, in relation to the activities performed when carrying out its functions, either (i) pays a fee or commission or provides a non-monetary benefit to a third party (or a person acting on behalf of a third party) or (ii) is paid a fee or commission or is provided with a non-monetary benefit by a third party (or a person acting on behalf of a third party), the AIFM must demonstrate that (a) the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, is clearly disclosed to the Investors in the Fund in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service, and (b) the payment of the fee or commission, or the provision of the non-monetary benefit are designed to enhance the quality of the relevant service and not impair compliance with the AIFM's duty to act in the best interests of the Fund or its Investors.

Investors are hereby informed that, in case any of the arrangements referred to in the foregoing paragraph takes place, the essential terms of the arrangements relating to the fee, commission or non-monetary benefit in summary form will be made available at the registered office of the AIFM, and that the AIFM commits to disclose further details at the request of the Investors.

## H. Investment in securitisation positions

To the extent provided by the AIFM Rules, when the Fund invests in securities positions in the meaning of the AIFM Rules, information on the Fund's exposures to the credit risk of securitisation and the applicable risk management procedures in this area will be made available at the registered office of the AIFM.

## I. Remuneration

The full remuneration policy of the AIFM is available on <https://www.ubp.com/fr/nos-bureaux/ubp-asset-management-europe-sa> and a paper copy will be made available to the Investors on their request at the registered office of the AIFM.

## XX. MATERIAL DOCUMENTS

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The following contracts, not being contracts entered into in the ordinary course of business, have been entered into and are or may be material:

1. The Agreement between the Fund and the AIFM pursuant which the latter was appointed alternative investment manager of the Fund. The Agreement may be terminated by either party upon three months' written notice.
2. The Agreement between the AIFM and the Investment Manager pursuant to which the latter was appointed investment manager of the Fund. The Agreement may be terminated by either party upon three months' written notice.
3. The Agreement between the Fund and BNP Paribas Securities Services Luxembourg Branch pursuant to which the latter was appointed depositary of the assets of the Fund. This Agreement may be terminated by either party by giving not less than ninety (90) days written notice to the other.
4. The Agreement between the Fund and UBP Asset Management (Europe) S.A. pursuant to which the latter was appointed domiciliary agent. This Agreement may be terminated by either party by giving not less than three months' written notice to the other.
5. The Agreement between the Fund and CACEIS Bank Luxembourg Branch pursuant to which the latter was appointed administrative, registrar and transfer agent. This Agreement may be terminated by either party by giving not less than ninety (90) calendar days' written notice to the other.
6. The Agreement between the Fund and Union Bancaire Privée, UBP SA pursuant to which the latter was appointed to market and promote the Fund and to co-ordinate the promotion and marketing of the Fund throughout Europe as well as provide some reporting services to the Fund.

Any such contract may be amended by mutual consent of the parties thereto, the decision on behalf of the Fund being made by its Board of Directors. Copies of the material contracts referred to above are available for inspection at the registered office of the Fund in Luxembourg. Copies of the Articles of the Fund, of the current Prospectus and of the latest financial reports may be obtained on request at the Fund's registered office.

## ANNEX I DINVEST - TOTAL RETURN HOLDINGS

### I. BASE CURRENCY

The base currency of the Sub-Fund is the USD.

### II. SUMMARY: CLASSES WITHIN THE SUB-FUND

The Sub-Fund may issue shares in the following Classes of Shares

This summary only gives certain indications on some of the characteristics of the share classes and should not be relied upon. The summary shall always be read in conjunction with the Prospectus.

ISIN	Classes	Ccy	Initial Minimum Subscription / Minimum Holding	Subscription Charge (max)	Management Fee (max)	General Distributor, Marketing and Reporting Fee (max)	Performance Fee (max)
LU2347658259	Class A	USD	10,000 USD	3.00%	1.00%	0.20%	10%
LU2347658333	Class A	CHF	10,000 CHF	3.00%	1.00%	0.20%	10%
LU2347658416	Class A	EUR	10,000 EUR	3.00%	1.00%	0.20%	10%
LU2347658507	Class A	GBP	10,000 GBP	3.00%	1.00%	0.20%	10%
LU2347658689	Class I	USD	10,000 USD	1.50%	0.75%	0.20%	10%
LU2347658762	Class I	CHF	10,000 CHF	1.50%	0.75%	0.20%	10%
LU2347658846	Class I	EUR	10,000 EUR	1.50%	0.75%	0.20%	10%
LU2347658929	Class I	GBP	10,000 GBP	1.50%	0.75%	0.20%	10%
LU0421556241	Class A(Q)	USD	10,000 USD	3.00%	1.50%	0.20%	10%
LU0421556324	Class AC(Q)	CHF	10,000 CHF	3.00%	1.50%	0.20%	10%
LU0421556597	Class AE(Q)	EUR	10,000 EUR	3.00%	1.50%	0.20%	10%
LU0421556753	Class B(Q)	USD	1,000,000 USD	1.50%	1.50%	0.20%	None
LU2347659067	Class Z(Q)	USD	None	None	None	None	None
LU1563417895	Class G(Q)	USD	None	None	1.00%	0.20%	10%
LU1563417978	Class GC(Q)	CHF	None	None	1.00%	0.20%	10%
LU1563418190	Class GE(Q)	EUR	None	None	1.00%	0.20%	10%
LU1563418273	Class H(Q)	USD	None	None	1.50%	0.20%	None
LU1563418356	Class HE(Q)	EUR	None	None	1.50%	0.20%	None
LU1563418430	Class I(Q)	USD	None	None	0.75%	0.20%	10%
LU1563418513	Class IE(Q)	EUR	None	None	0.75%	0.20%	10%

Classes B(Q), I USD, I CHF, I EUR, I GBP shall be reserved for investments made by investors qualifying as institutional investors within the meaning of, and as provided for, in article 174 (2) of the Luxembourg law of 17<sup>th</sup> December 2010, as amended.

Classes A(Q), AC(Q), AE(Q), B(Q), G(Q), GC(Q), GE(Q), H(Q), HE(Q), I(Q) and IE(Q) are closed to subscription. Notwithstanding the aforementioned, the Board of Directors reserves the right to re-open one or several or all such Classes to subscription from time to time and at its sole discretion.

Class Z(Q) shall be exclusively reserved for investments in USD, made by institutional investors, as defined by Article 174(2) of the 2010 Act, who have concluded a specific remuneration agreement with Union Bancaire Privée UBP SA or any other entity of the UBP Group.

### **III. INVESTMENT OBJECTIVES AND POLICY OF THE SUB-FUND**

The assets of DINVEST - TOTAL RETURN HOLDINGS are primarily allocated to UCIs which may follow any of the hedge funds' investment strategies, including but not limited to:

- Equity Long-Short;
- Arbitrage or relative value;
- Event Driven;
- Distressed securities;
- Macro; and
- CTAs (Commodity Trading Advisors),

In addition the Sub-Fund may also invest, subject to the investment restrictions set forth below, in "Long Only" UCIs.

DINVEST - TOTAL RETURN HOLDINGS may also invest in UCIs whose investment objective and strategy is to deliver returns that substantially correlate with Hedge Funds indices.

The Board of Directors believes that by focusing on these strategies, the Sub-Fund may benefit from the most experienced alternative asset managers in the industry.

The UCIs in which the Sub-Fund invests will be carefully selected on the basis of the experience, demonstrated expertise and personal commitment of their managers or advisers and of course, the Sub-manager's capability of generating returns over time which generally outperform relevant peer group and/ or benchmark. The allocation process is assisted by an asset allocation model which analyzes the results of the combinations of different UCIs with different asset allocations and risk/return parameters. For such purpose an analysis is made of both the track record and the management style of the Sub-managers in order to achieve a comprehensive overview of the possible risks and rewards.

Such UCIs may invest in a wide variety of securities and derivatives thereon and may be leveraged. The UCIs may invest either internationally or may be more specific and concentrate on a particular country or even a sector within a country. The Sub-managers will normally define the market objectives of such UCIs and the methods that will be employed in an attempt to fulfil these objectives. The UCIs to be selected may be open-ended or closed-ended. The Sub-Fund will seek diversification by spreading investments among various UCIs investing in different types of assets and using different investment or trading techniques. There will be a constant monitoring of the results of such UCIs and investment companies and the techniques used by the Sub-managers. Sometimes a Director or employee of the Investment Manager or the Fund may be appointed to the Board of one or several UCIs in which the Sub-Fund will invest.

The Sub-Fund may invest a substantial portion of its assets through Independent Fund Platforms promoted or run by third party Platform Managers which may generally offer increased transparency, risk monitoring, assets control and governance services.

The Sub-Fund may engage in transactions involving the use of financial derivative instruments and such other efficient portfolio management techniques for investment or hedging purposes.

### **IV. INVESTMENT RESTRICTIONS OF THE SUB-FUND**

In addition to the general investment restrictions applicable to all Sub-Funds, the Sub-Fund shall be subject to the following specific restrictions:

- 1 The Sub-Fund will primarily invest in UCIs in accordance with the strategies as defined in the Sub-Fund's

#### Investment Policy.

- 2 The Sub-Fund will not invest less than 70% of its net assets on aggregate basis in: (i) cash or money market instruments, (ii) shares or units of UCIs that offer quarterly redemption or better, (iii) shares or units of closed-ended schemes that are listed or dealt on a regulated, (iv) any securities or other eligible assets offering a quarterly liquidity or better.
- 3 The Sub-Fund may not borrow or otherwise use leverage exceeding 50% of the Sub-Fund's net assets. Such borrowings may be used for investment purposes and / or to bridge short term liabilities including for the satisfaction of redemption requests;
- 4 The Sub-Fund may not: (i) grant loans or (ii) act as guarantor on behalf of third parties.
- 5 The Sub-Fund may not carry out uncovered sales of securities, provided however that the UCI, in which the Sub-Fund shall invest, may carry out such short sales;
- 6 The Sub-Fund will not invest in physical commodities or other physical assets (such as art, antiques, etc.) provided that the individual UCIs may, under exceptional circumstances, be compelled to acquire physical commodities positions for a limited period of time.

In case UCIs are not established in countries providing for a permanent supervision over investment funds ensuring investors' protection, the Board of Directors of the Fund may from time to time, in its discretion, instruct the Investment Manager or any third party to identify and assess the regulatory and operational risks relating to such UCIs, including, but not exclusively, as to one or more of the following areas: registration and disclosure (prospectuses, offering memoranda, filing with the regulatory authorities, etc.), portfolio management, conflict of interests, books and records (accounting and corporate records, etc.), custody and possession, provided that any such information is made available (see above "*Due Diligence Process*").

In addition, the Sub-Fund may, in extraordinary circumstances, on a temporary basis and for defensive purposes, invest all or part of its assets in short term or medium term debt securities or cash.

Further, since the investments of the underlying UCIs are subject to market fluctuations as well as to the risks inherent to any investment, achievement of the investment objective of the Sub-Fund cannot be guaranteed.

#### **V. DISTRIBUTIONS**

The Board of Directors of the Fund has currently no intention to propose to shareholders of DINVEST - TOTAL RETURN HOLDINGS to distribute dividends for the time being.

#### **VI. APPLICATION, REDEMPTION AND CONVERSION OF SHARES**

##### **Application for shares**

Class A USD, A EUR, A CHF, A GBP, I USD, I EUR, I CHF, I GBP and Z(Q) shares are issued on a monthly basis. The subscription day will be the last calendar day of each month and/or such other day or days as the Directors may determine (each a "Subscription Day").

Shares are priced as of the last calendar day of each month and/or such other day or days as the Directors may determine (each a "Valuation Day") normally within 15 Business Days after the relevant Valuation Day.

Shares in each issued Class are issued at the relevant Net Asset Value per share of each Class. If issued, Class A EUR, Class I EUR shares are issued at the relevant Net Asset Value per share in EUR and subscriptions for shares of such Classes are to be made in EUR. If issued, Class A CHF, Class I CHF, shares are issued at the relevant Net Asset Value per share in CHF and subscriptions for shares of such Classes are to be made in CHF. If issued, Class A GBP, Class I GBP, are issued at the relevant Net Asset Value per share in GBP and subscriptions for shares of such Classes are to be made in GBP.

For certain Class, a Subscription Charge as mentioned in Section II may be added to the Subscription Price to compensate selected financial intermediaries and other persons who assist in the placement of shares.

For Shares opened to subscriptions, applications must be received by the Administrative Agent by noon (Luxembourg time), at least on the Business Day falling 5 Business Days prior to the relevant Subscription Day and payment of the subscription monies must normally be received in cleared funds 3 Business Days prior to the relevant Subscription Day. Any application (or any application for which the subscription monies are) received after such time is considered for the immediately following Subscription Day. Should any application be rejected, the subscription monies will be returned to the applicant (without interest) as soon as practicable, at the risk and cost of the applicant. Fractions of Shares may be issued up to four decimal places.

### **Redemption of shares**

The shares of Class A USD, A EUR, A CHF, A GBP, I USD, I EUR, I CHF, I GBP, A(Q), AC(Q), AE(Q), B(Q), G(Q), GC(Q), GE(Q), H(Q), HE(Q), I(Q), IE(Q) and Z(Q) are generally redeemable on the last calendar day of each calendar quarter and/or such other day or days as the Directors may from time to time determine (each a "Redemption Day").

The shares are redeemable at their relevant Net Asset Value, each computed as of the relevant Redemption Day.

A written redemption request must be received by the Administrative Agent no later than noon (Luxembourg time) on the Business Day falling at least 5 Business Days plus 3 calendar months before the last Business Day of the relevant calendar quarter in which the relevant Redemption Day falls. Orders received after such times are considered for the immediately following Redemption Day.

A minimum of 90% of the redemption proceeds will normally be paid by bank transfer in the currency of denomination of the Class concerned, after deduction of transfer costs, on the account of the first named of joint shareholders within 5 Business Days after the calculation of the Net Asset Value of the shares which will be made as of the relevant Valuation Day normally within 15 Business Days after the applicable Valuation Day, provided that the Administrative Agent has received the relevant share certificate(s), if any. The balance, if any, will be paid upon reception of residual redemption proceeds of related disinvestments in underlying assets.

### **Conversion of shares**

The shares of DINVEST - TOTAL RETURN HOLDINGS are convertible into shares of another issued Class of DINVEST - TOTAL RETURN HOLDINGS, within the limits and subject to the provisions set out below and any restrictions contained in this Prospectus, on the last calendar day of each month and/or such other day or days as the Directors may from time to time determine (each a "Conversion Day"), provided the share class into which the conversion is to take place is opened to subscriptions:

- i) If issued, shares of Class A USD, Class A EUR, Class A CHF and Class A GBP may be converted into shares of Class A USD, Class A EUR, Class A CHF and Class A GBP respectively.
- ii) If issued, shares of Class I USD, Class I EUR, Class I CHF and Class I GBP may be converted into shares of Class I USD, Class I EUR, Class I CHF and Class I GBP respectively.
- iii) If issued, shares of Class A(Q), Class AC(Q) and Class AE(Q) may be converted into shares of Class A(Q), Class AC(Q) and Class AE(Q) respectively.
- iv) If issued, shares of Class G(Q), GC(Q) and GE(Q), may be converted into shares of Class G(Q), GC(Q) and GE(Q) respectively.
- v) If issued, shares of Class H(Q) and HE(Q) may be converted into shares of Class H(Q) and HE(Q) respectively.
- vi) If issued, shares of Class I(Q) and IE(Q) may be converted into shares of Class I(Q) and IE(Q) respectively.

A written conversion request must be received by the Administrative Agent no later than noon (Luxembourg time) on the Business Day falling at least 5 Business Days prior to the relevant Conversion Day. Orders received after such times are considered for the immediately following Conversion Day. The conversion will normally be effected within 5 Business Days after the calculation of the Net Asset Value of the shares which will be made as of the relevant Valuation Day normally within 15 Business Days after the applicable Valuation Day, provided that the Administrative Agent has received the relevant share certificate(s), if any.

No conversion fee will be charged.

## **VII. FEES AND EXPENSES**

### **Management Fee**

The share Class each pay a quarterly management fee, as mentioned in Section II, based on their respective average net assets during the relevant quarter. As compensation for the Investment Manager's duties in managing DINVEST - TOTAL RETURN HOLDINGS, the Investment Manager will charge a fee. Fees payable to the Investment Manager are paid out of these Management Fees.

### **Performance Fee**

For certain Class (see table in Section II), the Investment Manager will also be entitled to receive an annual performance fee.

For the performance fee to be levied, the Net Asset Value (since the Sub-Fund's inception) must have reached a new all-time high and have exceeded the Hurdle Rate. In order to protect Shareholders' interests, a High-Water Mark principle is applied in order to ensure that a performance fee is never charged in respect of an increase in the Net Asset Value per share of the relevant Class which has previously resulted in the payment of a performance fee to the Investment Manager. The High Water Mark of DINVEST - TOTAL RETURN HOLDINGS's related classes will be carried over in the Sub-Fund.

At the implementation of the new performance fee, the High-Water Mark will be equal to the Net Asset Value per share of the relevant Class as at the beginning of the financial year. If the Net Asset Value per share of such Class at the end of a financial year is above the High-Water Mark, the High-Water Mark will be reset to that Net Asset Value per share of such Class (whether or not a performance fee was deducted in calculating such Net Asset Value per share of such Class), but otherwise the High-Water Mark will remain unchanged.

The performance fee will be adjusted for subscriptions during the relevant performance period so that these will not affect the performance fee payable.

### **Hurdle Rate**

The Hurdle Rate at the beginning of each financial year will be equal to the High-Water Mark. The Hurdle Rate at the end of each financial year will be equal to the High-Water Mark plus 5%. For the purpose of calculating the Net Asset Value per share of the relevant Class as of any Valuation Day during a financial year, the High-Water Mark at the beginning of the financial year will be increased by 0.4166% per month.

### **Level of the Performance Fee**

The performance fee will be equal to the percentage set forth in the table in the Section II (the Performance Fee Rate) of the difference between the Net Asset Value per share Before Performance Fee (the "NAVBPFF") at the end of the Fund's financial year and the High-Water Mark at the beginning of the financial year.

### **Entitlement to the Performance Fee**

- (1) If the NAVBPFF is lower than or equal to the Hurdle Rate at the end of the financial year, the Investment Manager will not be entitled to receive a performance fee.
- (2) If the NAVBPFF is higher than the Hurdle Rate at the end of the financial year but, after deduction of the performance fee per share of the relevant Class as described above, the Net Asset Value per share of such Class would be below the Hurdle Rate at the end of the financial year, the Investment Manager will

be entitled to receive a performance fee equal to the difference between the NAVBPF and the Hurdle Rate multiplied by the number of shares in issue in such Class at the end of the financial year.

- (3) If the NAVBPF minus the performance fee per share is higher than the Hurdle Rate, the Investment Manager will be entitled to receive a performance fee calculated as described above.

#### **Accrual of the Performance Fee**

For the purpose of calculating the Net Asset Value per share of the relevant Class as of any Valuation Day, the performance fee will be accrued (if applicable) as an expense of the relevant Class.

The performance fee will normally be payable within 14 days after the end of each financial year. However, in the case of shares redeemed prior to the end of a financial year, any accrued performance fee in respect of those shares will be paid to the Investment Manager at the date of redemption.

If the Investment Management Agreement is terminated prior to the last day of a financial year, the performance fee in respect of that year will be calculated and paid as if the date of termination were the end of that financial year.

#### **General distributor and Marketing Fee and Reporting Fee**

Union Bancaire Privée, UBP SA has been entrusted with the distribution and marketing of DINVEST - TOTAL RETURN HOLDINGS as well as certain administrative services which cover the supplying of data and information needed for the preparation of the periodical reports to be published by the Fund. In order to compensate the services so provided by UBP, UBP will be entitled to an annual distribution and marketing fee and reporting fee payable monthly.

#### **Service Fee**

The AIFM is entitled to receive, out of the assets of the Fund a Service Fee. The Service Fee includes the fee for the Depositary Bank, the Domiciliary Agent and the Administrative, Registrar and Transfer Agent who will be paid by the AIFM out of this Service Fee.

#### **Exchange related cost**

Classes in currencies other than the base currency of the Sub-Fund will bear all exchange-related cost concerning the Subscription Price and/or Redemption Price respectively received or paid in the Sub-Fund's base currency, cost relating to the calculation of the Net Asset Value and any related costs.

In addition, all the costs and risk resulting from hedging transactions will be supported by the shares denominated in the currencies respectively.

#### **Maximum amount of fees**

The maximum amount of fees, charges and expenses to be borne directly or indirectly by Shareholders is available at the registered office of the AIFM.

### **VIII. LEVERAGE**

Leverage means any method by which the Sub-Fund's exposure may be increased, whether through the borrowing of cash or of any other assets, via derivatives or by any other means.

Maximum leverage using the Gross Method: 400%

Maximum leverage using the Commitment Method: 200%

Further information regarding notably the circumstances in which the Sub-Fund is entitled to use leverage, the types and sources of leverage, any right to reuse collateral or any guarantee granted under the leveraging arrangement as well as any change to the above-mentioned maximum level of leverage will be disclosed at the registered office of the AIFM. The frequency or timing of such disclosure is also available at the registered office of the AIFM.

## ANNEX II – INFORMATION FOR QUALIFIED INVESTORS IN SWITZERLAND

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### 1. DISTRIBUTION IN SWITZERLAND

Dinvest SICAV (the “Fund”) **is not approved for offering to non-qualified investors in or from Switzerland.** As a consequence, the Fund and its sub-funds **may only be offered to qualified investors** as defined in Article 10 of the Swiss Collective Investment Schemes Act.

### 2. REPRESENTATIVE AND PAYING AGENT

The representative and paying agent of the Fund in Switzerland is Union Bancaire Privée, UBP SA, with registered office at 96-98 rue du Rhône, P.O. Box 1320, 1211 Geneva 1.

### 3. PLACE WHERE THE RELEVANT DOCUMENTS MAY BE OBTAINED

The prospectus, articles of association, annual and semi-annual reports may be obtained free of charge from both the Swiss representative and the Fund.

### 4. PAYMENT OF RETROCESSIONS

The Fund’s Management Company, respectively the Fund, and their agents may pay retrocessions as remuneration for distribution activity in respect of units in the Fund in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- organisation of *road shows* ;
- organisation of commercial events;
- taking part in such events ;
- production of marketing documents;
- training of sales staff.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request of the investors concerned, the recipients of retrocessions must disclose the amounts they actually receive for distributing the Fund.

### 5. PAYMENT OF REBATES

In the case of distribution activity in or from Switzerland, the Fund’s Management Company, respectively the Fund, and their agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Fund’s Management Company and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria are as follows:

- the volume subscribed by the investor or the total volume held by the investor in the Fund or, where applicable, in the product range of which UBP is the promoter;
- the investor’s assets managed by a UBP-group entity and/or deposited with a UBP-Group entity;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);

- the investor's willingness to provide support in the launch phase of a collective investment scheme of which UBP is the promoter.

At the request of the investor, the Fund's Management Company or its agents must disclose the amounts of such rebates free of charge.

## **6. PLACE OF PERFORMANCE AND JURISDICTION**

In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the representative.

**The information contained in this annex must be read with the Fund's prospectus.**