

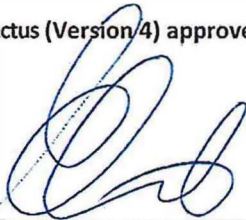
**ISEC SICAV - RAIF** *Société anonyme*  
*Société d'investissement à capital variable – fonds d'investissement alternatif réservé*  
(SICAV-RAIF)

**PROSPECTUS**

**June 2024**

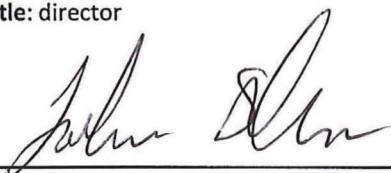
ISEC SICAV - RAIF (the "Company") qualifies as a reserved alternative investment fund subject to the Luxembourg law of Law of 23 July 2016 on reserved alternative investment funds and is not subject to the supervision of the Luxembourg *Commission de Surveillance du Secteur Financier* or any other Luxembourg supervisory authority. The Company is managed by ISEC Services AB, an external alternative investment fund manager (the "AIFM") duly authorised and supervised by the Swedish Financial Supervisory Authority (the "SFSA").

**Confidential Prospectus (Version 4) approved by the board of directors**



By: **Klaus Ebert**

Title: director



By: **JOAKIM STENBERG**

Title: director

This Prospectus includes a general part ("**Part I**") which contains provisions applicable to the Company generally and a second Part ("**Part II**") including Annex(es) which contain specific provisions relating to the following Sub-Fund(s):

**Annex 1: ISEC SICAV - RAIF – Nordic Factoring Fund Lux**

**Annex 2: ISEC SICAV - RAIF– CABA FLEX2**

If there is any conflict or discrepancy between the provisions of the Part I and an Annex, the provisions of the relevant Annex will prevail with respect to the relevant Sub-Fund. For the avoidance of doubt, if the Part I contains more detail than an Annex or if any Annex contains more detail than Part I (on any subject matter), this should not be considered as a conflict or discrepancy.

The AIFM reserves the right to issue one or several separate annexes dedicated to a Sub-Fund or a group of Sub-Funds.

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## PART I: PROVISIONS APPLICABLE TO THE COMPANY GENERALLY

### IMPORTANT INFORMATION

This Prospectus comprises information relating to the Company, which is governed by the Law of 23 July 2016 relating to reserved alternative investment funds (the "**Law**"). Statements made in the Prospectus are based on the law and practice currently in force in Luxembourg and are subject to changes therein. The most recent annual report of the Company is available, once published, at the registered office of the Company and will be sent to Investors upon request. Such report shall be deemed to form part of the Prospectus.

No person has been authorised to give any information or to make any representations in connection with the offering of shares of the Company (the "**Shares**") issued with respect to the Sub-Funds covered by Part II of this Prospectus other than those contained in this Prospectus and the report referred to above, and, if given or made, such information or representations must not be relied on as having been authorised by the Company. The delivery of this Prospectus (whether or not accompanied by any report) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain other jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer, or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Shares of the Company are not for distribution to retail investors in the European Union and therefore not in the scope of Regulation (EU) 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment product (PRIIPS) as amended.

Shares of the Company may not be offered to Investors who are domiciled in the United States and its sovereign territories nor is the transfer of Shares to those persons permitted.

Further conditions may also be required for investing in the Company under the laws of other jurisdictions which may be applicable to the relevant prospective investors.

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or registered or qualified under applicable state statutes and (except in a transaction which is exempt from registration under the 1933 Act and such applicable state statutes) none of the Shares may be offered or sold, directly or indirectly, in the United States of America or in any of its territories or possessions (the "**United States**"), or to any US Person (as defined in the 1933 Act) regardless of location. The Company, may at its discretion, sell Shares to US Persons on a limited basis and subject to the condition that such purchasers make certain representations to the Company which are intended to satisfy the requirements imposed by US law on the Company, which limit the number of its Shareholders who are US Persons, and which ensure that the Company is not engaged in a public offering of its Shares in the United States. In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "**1940 Act**") and Investors will not be entitled to the benefit of the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if the Company has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the 1940 Act.

The Company will not knowingly offer or sell Shares to any Investor to whom such offer or sale would be unlawful, or might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantages which the Company might not otherwise incur or suffer or would result in the Company being required to register under the 1940 Act. Shares may not be held by any person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations. Each Investor must represent and warrant to the Company that, amongst other things, he/she/it is able to acquire Shares without violating applicable laws. Power is reserved in the articles of incorporation of the Company (the "**Articles**"), to redeem any Shares held directly or beneficially in contravention of these prohibitions.

However, the Company may decide to accept applications for Shares in the Company from a limited number of accredited investors (as defined in the 1933 Act) in the United States provided that the Company receives evidence satisfactory to it that the sale of Shares to such an investor is exempt from registration under the securities laws of the United States including, but not limited to, the 1933 Act and that, in all events there will be no adverse tax consequences to the Company or to Shareholders as a result of such a sale.

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 12.3 "Procedures for amending the Prospectus" of the Part I of this Prospectus shall bind and be deemed approved by all Investors.

Any information which the AIFM is under a mandatory obligation **(i)** to make available to Investors before investing in the Company, including any material change thereof and updates of this Prospectus 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 following information means (the "**Information Means**"): **(i)** the Company's sales documents, offering or marketing documentation, **(ii)** subscription, redemption, switch or transfer form, **(iii)** contract note, statement or confirmation in any other form, **(iv)** letter, telecopy, email or any type of notice or message (including verbal notice or message), **(v)** publication in the (electronic or printed) press, **(vi)** the Company's periodic report, **(vii)** the Company 's, AIFM's or any third party's registered office, **(viii)** a third-party, **(ix)** internet/a website (as the case may be subject to password or other limitations) and **(x)** any other means or medium to be freely determined from time to time by the AIFM to the extent that such means or medium comply and remain consistent with the Articles and applicable laws and regulations.

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 Company, 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 Company. 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 Company.

This Prospectus may be translated into other languages. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail to the extent permitted by the applicable laws or regulations, and all disputes as to the terms thereof shall be governed by, and construed in

accordance with the laws of Luxembourg.

**Your attention is drawn to the Section 4 "Risk Disclosure" described in this Part I of this Prospectus. Specific risk factors applying to each Sub-Fund are disclosed in each relevant Annex. The Company's investments are subject to market fluctuations and the risks inherent in all investments and there can be no assurances that appreciation will occur. There can be no guarantee that the objective of the Company in respect of a Sub-Fund will be achieved.**

**Potential subscribers and purchasers of Shares in the Company should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding and disposal of Shares in the Company.**

**If you are in any doubt about the contents of the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

## DIRECTORY

### Registered Office of the Company

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

### Board of Directors of the Company

#### Directors

- Carl Barbäck, ISEC
- Joakim Stenberg, Finserve Nordic AB
- Klaus Ebert, Klaus EBERT S.à r.l

### Alternative Investment Fund Manager

ISEC Services AB  
Vattugatan 17  
11152 Stockholm  
Sweden

### Depository

CACEIS BANK, LUXEMBOURG BRANCH  
5, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### Administrative Agent

CACEIS BANK, LUXEMBOURG BRANCH  
5, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### Domiciliation agent and corporate secretary

CACEIS BANK, LUXEMBOURG BRANCH  
5, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### Approved Statutory Auditor

Deloitte Audit  
20, Boulevard de Kockelscheuer  
L - 1821 Luxembourg  
Grand Duchy of Luxembourg

Additional information in relation to a Sub-Fund may be contained in the relevant Annex of this Prospectus.



## DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:

<b>"Administrative Agent"</b>	means CACEIS Bank acting in its capacity as administrative agent of the Company or any succeeding entity, successively appointed in such capacity.
<b>"AIFM"</b>	means ISEC Services AB acting as the alternative investment fund manager of the Company within the meaning of the AIFM Directive.
<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 law of 12 July 2013 on alternative investment fund managers, as may be amended from time to time.
<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 which are taken in relation to (or transposing either of) the foregoing.
<b>"Annex"</b>	means a part of this Prospectus containing specific information relating to a specific Sub-Fund.
<b>"Articles"</b>	means the articles of incorporation of the Company as amended and / or restated from time to time.
<b>"Approved Statutory Auditor"</b>	means Deloitte Audit or any succeeding entity successively appointed in such capacity.
<b>"Board"</b>	means the board of directors of the Company.
<b>"Business Day"</b>	means a full week day on which banks are normally open for business in Sweden and in Luxembourg, unless otherwise stated in the Annex.
<b>"Class"</b>	means a class of Shares within the Company and, where the context so requires, a Sub-Class.
<b>"Commitment Period"</b>	means the period during which a Sub-Fund or any other entities duly appointed to act on their behalf may call for Commitments payment.
<b>"Commitments"</b>	means undertakings by Investors to subscribe for Shares for a certain amount of

monies in a particular Sub-Fund as disclosed in the relevant Subscription Form (each, a "**Commitment**").

" <b>Company</b> "	means ISEC SICAV - RAIF.
" <b>Company Law</b> "	means the law of 10 August 1915 relating to commercial companies, as amended from time to time.
" <b>CRS Law</b> "	has the meaning set out under Section 11.4 "Automatic Exchange of Information".
" <b>CSSF</b> "	means the Luxembourg <i>Commission de Surveillance du Secteur Financier</i> .
" <b>Defaulting Investor</b> "	means an Investor having failed to honour its Commitment through the full payment of the subscription price within the timeframe decided by the AIFM.
" <b>Depository</b> "	means CACEIS Bank acting in its capacity as depository of the Company or any succeeding entity, successively appointed in such capacity.
" <b>Distributor</b> "	means any distributor as may be appointed from time to time in respect of the distribution of Shares of one or more Sub-Fund as further set out in the relevant Annex.
" <b>Drawdown</b> "	means a request by the Company for the payment of a certain amount under a Commitment with respect to a Sub-Fund.
" <b>Drawdown Notice</b> "	means each written notice sent to relevant Investors by the Company which provides such Investors with prior notice of the payment date with respect to a Drawdown.
" <b>Eligible Investor</b> "	a Well-Informed Investor that meets other eligible criteria, if any, set forth in the relevant Annex and which is not a Prohibited Person.
" <b>EU</b> "	means the European Union.
" <b>Euro</b> " or " <b>EUR</b> "	means the legal currency of the European Monetary Union.
" <b>Institutional Investor</b> "	means an investor who qualifies as an institutional investor according to the Regulations.
" <b>Investment Manager</b> "	means a delegate in charge of portfolio management as may be appointed by the AIFM from time to time with respect to one or more Sub-Fund(s) as disclosed in the Annex relating to the relevant Sub-Fund(s).
" <b>Investor</b> "	means any investor who desires to subscribe or has subscribed to Shares and, where the context requires, will include that person as a Shareholder.
" <b>Law</b> "	means the amended Luxembourg law of 23 July 2016 relating to reserved alternative investment funds.

<b>"Net Asset Value" or "NAV"</b>	means the net asset value of the Company, a Sub-Fund or a Class as determined pursuant to Section 7 "Net Asset Value" of the Part I of this Prospectus.
<b>"Net Asset Value per Share"</b>	means the net asset value per Share of any Class within any Sub-Fund determined in accordance with the relevant provisions described in Section 7 "Net Asset Value" of the Part I of this Prospectus.
<b>"Other Well-Informed Investor"</b>	means an investor who (i) adheres in writing to the status of well-informed investor and (ii) (a) invests a minimum of Euro 125,000. in the Company or (b) has been the subject to an assessment made by a credit institution within the meaning of Regulation (EU) 575/2013 or an investment firm within the meaning of Directive 2014/65/EU or a management company within the meaning of Directive 2009/65/EC as an alternative investment fund manager within the meaning of Directive 2011/61/EC certifying his/her/its expertise, his/her/its experience and his/her/its knowledge in adequately appraising an investment in the Company.
<b>"Prohibited Person"</b>	means (a) any person not qualifying as an Eligible Investor, (b) any person in breach of the law or requirement of any country or governmental authority or (c) any person in circumstances which in the opinion of the AIFM might be detrimental to the Company notably if it might result in the Company incurring any liability or taxation or suffering any pecuniary disadvantage which the Company might not otherwise have incurred or suffered or (d) more generally any other person which is an ineligible applicant in accordance with this Prospectus.
<b>"Professional Investor"</b>	means an investor who qualifies as a professional investor according to the Regulations, including notably an investor who qualifies as a professional investor under annex II of Directive 2014/65/EU, as amended.
<b>"Prospectus"</b>	means this offering document of the Company.
<b>"Redemption Day"</b>	means the day with respect to which the Shares of the Company are redeemable, as specified, for each Sub-Fund, in the relevant Annex.
<b>"Regulations"</b>	means the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions (to the extent applicable).
<b>"RESA"</b>	means the <i>Recueil Electronique des Sociétés et Associations</i> , i.e., the Luxembourg official state gazette which replaced the <i>Mémorial</i> on 1 June 2016.
<b>"SEK"</b>	means Swedish krona.
<b>"SFSA"</b>	means the Swedish Financial Supervisory Authority.
<b>"SFT Regulation"</b>	means Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No. 648/2012.
<b>"Shareholder"</b>	means a Shareholder of the Company.

<b>"Share"</b>	means any Share in the Company from any Class within any Sub-Fund subscribed by any Shareholder.
<b>"Sub-Class"</b>	means each sub-class of Shares within the Company.
<b>"Sub-Fund"</b>	means a specific portfolio of assets and liabilities within the Company having its own Net Asset Value and represented by one or more Classes.
<b>"Subscription Form"</b>	means the document which might be required to be signed by an Eligible Investor by which he/she/it (i) agrees to commit to subscribe a certain amount in a particular Sub-Fund or (ii) irrevocably applies for Shares in a particular Sub-Fund.
<b>"Subscription Day"</b>	means the day with respect to which the Shares of any Class may be subscribed, as specified, for each Sub-Fund, in the relevant Annex.
<b>"UCI"</b>	means undertakings for collective investment, i.e. an undertaking the sole objective of which is the collective investment in securities, financial instruments and other assets.
<b>"Undrawn Commitment"</b>	means the amount of an Investor's outstanding Commitment which remains available and to be called by the Company with respect to a particular Sub-Fund.
<b>"United States"</b>	means the United States of America or any of its territories or possessions.
<b>"Valuation Day"</b>	means the day as at which the Net Asset Value is determined, as detailed, for each Sub-Fund, in the relevant Annex.
<b>"Well-Informed Investor"</b>	means pursuant to Article 2 of the Law, any Institutional Investor, Professional Investor or Other Well-Informed Investor.

Words importing the singular shall, where the context permits, include the plural and vice versa.

Any reference to a person in this Prospectus means that person or any of its duly appointed delegate(s), agent(s) or representative(s).

For the purposes of this Prospectus, any reference hereinafter to a "Sub-Fund" shall also mean a reference to a "Class" or "Sub-Class", unless the context otherwise requires. Any reference to a "Class" shall also mean a reference to a "Sub-Class", unless the context otherwise requires.

## 1. STRUCTURE OF THE COMPANY

The Company is an investment fund organised as a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable – fonds d'investissement alternatif réservé* (SICAV-RAIF) governed by the Law. The Company is an externally managed alternative investment fund ("AIF") pursuant to the law of 12 July 2013 on alternative investment fund managers (the "AIFM Law"). As further described in Section 8 "MANAGEMENT AND ADMINISTRATION OF THE COMPANY" of the Part I of this Prospectus below, the Company has appointed ISEC Services AB (the "AIFM") as its external alternative investment fund manager (within the meaning of article 5(1)(a) of the AIFM Directive).

The Company is an umbrella fund and as such may operate separate Sub-Funds, each of which is represented by one or more Classes / Sub-Classes. The Sub-Funds are distinguished by their specific investment policy or any other specific features, as further described in the Annexes.

The Company constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Board may at any time resolve to set up new Sub-Funds and/or create within each Sub-Fund one or more Classes / Sub-Classes. The Board may also at any time resolve to close a Sub-Fund, or one or more Classes / Sub-Classes within a Sub-Fund, to further subscriptions.

The Company was incorporated for an unlimited period in Luxembourg on 11 November 2022. The capital of the Company shall be equal at all times to the net assets of the Company. The minimum capital of the Company shall be the minimum prescribed by the Law, which at the date of this Prospectus is the equivalent of Euro 1,250,000. This minimum must be reached within a period of 24 months following the incorporation of the Company as a SICAV-RAIF under the Law.

The Company was incorporated with an initial capital of EUR 30,000- (thirty thousand euros), divided into 300 (three hundred) fully paid up Shares.

The Company is under registration with the *Registre de Commerce et des Sociétés de Luxembourg* (Luxembourg Register of Commerce and Companies). The Articles have been deposited with the *Registre de Commerce et des Sociétés de Luxembourg* and thereafter will be published in the *RESA*.

Under Luxembourg laws and its Articles, the Company is authorised to issue an unlimited number of Shares, all of which are without par value.

The base currency of the Company is the EUR and all the financial statements of the Company will be presented in EUR.

## 2. PURPOSE, INVESTMENT OBJECTIVES AND POLICIES

The exclusive objective of the Company is to place the funds available to it in assets of any kind with the purpose of affording its Shareholders the results of the management of its portfolios.

Each Sub-Fund shall pursue a defined investment policy and the investment restrictions may differ for each of them. The investment policy and, as the case may be, specific investment restrictions are disclosed for each Sub-Fund in the relevant Annex.

In compliance with the applicable laws any Sub-Fund (hereinafter referred to as a "**Feeder Fund**") may be authorised to invest at least 85% of its assets in the units/shares of another alternative investment fund or portfolio thereof (the "**Master Fund**").

A Sub-Fund of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and regulations, be launched as or converted into a Master Fund in compliance with the applicable laws.

### **3. INVESTMENT RESTRICTIONS**

In compliance with the provisions of the Law, each Sub-Fund will invest in compliance with the principle of risk diversification. The specific investment restrictions applicable to each Sub-Fund are described in the relevant Annex.

Any Sub-Fund may invest indirectly through one or more wholly owned or otherwise under control special purpose vehicles or intermediate vehicles notably where it is considered that this would be operationally, commercially and/or tax efficient or would provide the only practicable means of access to the relevant assets. The investment restrictions, guidelines and limits shall not apply to the Sub-Fund's investment in a special purpose vehicle or intermediate vehicle. The investment restrictions, guidelines and limits shall apply to the underlying investments made by such special purpose vehicle or intermediate vehicle.

### **4. RISK DISCLOSURE**

No assurance can be given that the investment objectives will be achieved. Furthermore, past performance is not indicative of future returns and it cannot be guaranteed that Investors will recuperate the full amount invested.

The investments contemplated by the Company and its Sub-Funds are subject to risks inherent in all investments and risks tied to the specific features of its investment strategy and universe. By investing in any Sub-Fund of the Company, the Investor acknowledges such risks and their potential effects on such Sub-Fund's return and costs.

Furthermore, all investment guidelines and limitations applicable to the Company refer to conditions prevailing at the time of each specific transaction. If such conditions thereafter change due to market fluctuations, the AIFM will assist the Company in taking appropriate measures to bring the holdings in line with the guidelines within a reasonable time, considering the intervention should be in the best interest of the Company and its Sub-Funds. However, the short or medium term adjustment of the portfolio cannot always be assured due to the characteristics of the Company's investments.

#### **Market risk**

Market risk can be described as the potential change in the value of a portfolio of financial instruments resulting from adverse movements in equity, bond, currency or other market prices, indices or changes in the volatility of such movements. A typical transaction or position may be exposed to a number of different types of market risk. Types of market risks include interest rate risks, foreign currency exchange rate risk and equity risk. Interest rate risk can arise from changes in the level, slope and curvature of the yield curve; changes in the implied volatility of interest rate derivatives; changes in the rate of mortgage prepayments; and changes in credit spreads. Foreign currency exchange rate risk can arise from changes in the spot prices and the implied volatility of currency derivatives. Equity risk can arise from changes in the price of individual equity securities and indices, changes in the implied volatility of equity derivatives and dividend risk.

### **Liquidity risk**

The liquidity risk arises from a mismatch between a Sub-Fund investments' liquidity (the "**Market Liquidity**") and the terms and conditions offered by such Sub-Fund for the repurchase of its Units (the "**Funding Liquidity**").

Market Liquidity is associated with trading volumes that can be witnessed on the markets where a Sub-Fund investments are traded. These may fluctuate significantly in response to market developments, adverse investor perceptions or regulator interventions thus rendering this market less liquid. It could lead to situations where no willing buyers can be found, or found only at a lower price, and therefore negatively impact the value of a Sub-Fund or prevent it to seize other investment opportunities.

The Funding Liquidity risk is the risk that, because of stressed market conditions, an unusually high volume of repurchases requests or other factors beyond the control of the Company and the AIFM, the Sub-Fund:

- (i) may be forced to temporarily suspend the repurchase of units because of stressed market conditions or any other situations beyond the control of the Company and the AIFM as defined under Section 7.2 "Suspension of the Calculation of the Net Asset Value"; or
- (ii) may be forced to sell investments at an unfavourable time and/or conditions.

### **Counterparty Risk**

Counterparty credit risk is the risk of loss if a counterparty fails to perform its financial obligations to the Company or any of its Sub-Funds, e.g. by failing to repay principal and interest in a timely manner.

### **Operational risk**

The definition of operational risk is "the risk of loss arising from inadequate or failed internal processes, people and systems or from external events". Included within this definition are regulatory and legal risks but it excludes business and strategic risks. Operational risk is inherent in many aspects of the Company's activities and comprises a large number of disparate risks. A consistent framework is used to facilitate the identification, assessment, management, and reporting of risk.

### **Political risk**

A government's political inexperience or the instability of the political system increase the risk of short-term fundamental shifts in a nation's economy and politics. The consequences can include confiscation of assets with no compensation, the restriction of rights of disposal over assets, or a dramatic reduction in the value of assets as a result of state intervention or the introduction of state monitoring and control mechanisms.

The risk that an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control or be the consequences of currency convertibility and transfer risk. Currency convertibility and transfer risk are losses arising from the inability to convert local currency into foreign exchange for transfer outside the host country.

### **Economic risk**

Emerging market economies are more sensitive to changes in interest and inflation rates, which are subject to greater swings than in other established countries. The Sub-Funds are subject to political and economic risks to which the Sub-Funds invest. Sub-Funds which invest in multiple countries have less exposure to the risks of any one country, but will be exposed to a larger number of countries.

### **Country risk**

A collection of risks associated with investing in a foreign country. These risks include political risk, exchange rate risk, economic risk, sovereign risk and transfer risk, which is the risk of capital being locked up or frozen by government action. Country risk varies from one country to the other.

### **Currency risk**

A form of risk that arises from the change in price of one currency against another. Whenever Investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

### **Inflation risk**

Inflation can reduce the value of the investments of the Company assets. The purchasing power of the invested capital sinks if the inflation rate is higher than the returns generated by the investments.

### **Interest rate risk**

The risk that an investment's value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship.

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments.

### **Volatility risk**

The risk of uncertainty of price changes. Usually, the higher the volatility of an asset or instrument, the higher its risk. The prices for securities in which the Sub-Funds invest may change significantly in short-term periods.

Volatility risk can also result from changes in the volatility of a risk factor. It usually applies to portfolios of derivatives instruments, where the volatility of its underlyings is a major influencer of prices.

### **Cyber Security Risk**

With the increased use of technologies such as the internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational



damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

### **Risks Related to Terrorist Attack, War, Natural Disaster or Pandemic**

The operations of the Company and counterparties with which the Company do business could be severely disrupted in the event of a major terrorist attack or the outbreak, continuation or expansion of war or other hostilities.

Additionally, a serious pandemic, or a natural disaster, such as a hurricane or a super typhoon, could severely disrupt the global economy and the operation of the Company.

In particular, the "novel coronavirus" (COVID-19) outbreak in Wuhan, People's Republic of China, which has also affected other parts of China and the world, could have a material and adverse effect on the ability of the Company to obtain subscriptions, Commitments and to receive capital contributions, and the operation of the Company, the AIFM or any Investment Manager. In the event of a serious pandemic or natural disaster, for safety and public policy reasons, each of the Company, the AIFM, the Investment Manager and other service providers may, to the extent they are affected by such pandemic or natural disaster, be required to temporarily shut down their offices and to prohibit their respective employees from going to work. Any such closure could severely disrupt the services provided to the Company and materially and adversely affect the Company's operation.

### **Impact of the Coronavirus (COVID-19)**

The outbreak of the coronavirus disease 2019 (abbreviated as "COVID-19") continues to impact global markets in several ways, including: (i) slowing down or stopping international, national, and local travel; (ii) impeding regular business operations across many different businesses, including manufacturers and service providers; and (iii) adding uncertainty to global markets with regard to how long and how serious COVID-19 may prove over time. All of these factors and more regarding COVID-19's impact on global markets may materially adversely affect the Company's performance, including to the extent that the Company makes investments in certain businesses or industries suffering downturns or impediments caused or exacerbated by COVID-19.

### **Russian Invasion of Ukraine**

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Memorandum, the countries remain in active armed conflict. Around the same time, the United States, the UK, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian oligarchs. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Sub-Funds invest), and therefore could adversely affect the performance of the Company's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, present material uncertainty and risk with respect to the Sub-Fund and the performance of their investments and operations, and the ability of the Sub-Funds to achieve their investment objectives. Similar risks will exist to the extent that any service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

### **Credit risk**

The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise

meet a contractual obligation.

Inadequate or failed internal processes and systems, negligent people or from external events (including legal risk).

### **Debt Securities**

The Sub-Funds may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate Investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in such Sub-Funds is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

### **Conflict of interest risk**

A situation that occurs when a service provider may disadvantage one party or client over another when holding multiple interests. Generally, there may be conflicts of interests between the best interests of the Company and an interest of the Investment Manager and its affiliated to generate fees, commissions and other revenues. In the event that such a conflicts arises, the Directors of the Company will endeavour to ensure that it is resolved in the best interest of the Company.

### **Custody risk**

Assets of the Company are kept in custody by the Depositary and Investors are exposed to the risk of the Depositary not being able to fully meet its obligation to recover all of the assets within a short time frame (including collateral) of the Company in the case of bankruptcy of the Depositary. The assets of the Company will be identified in the Depositary's books as belonging to the Company. Securities held by the Depositary will be segregated from other assets of the Depositary which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy.

Where securities (including collateral) are held with third-party delegates, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company may have to share that shortfall on a pro-rata basis. Securities may be transferred as collateral with title transfer to clearing brokers which therefore do not qualify as third-party delegate of the Depositary and in respect of the acts or defaults of which the Depositary shall have no liability. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed third-party delegates provided that the Depositary has complied with its duties.

In addition, the Sub-Funds may incur losses resulting from the acts or omissions of the Depositary, or any of its third-party delegates when performing or settling transactions or when transferring money or securities. More generally, the Sub-Funds are exposed to risks of loss associated to the Depositary function if the Depositary or a third-party delegate fails to perform its duties (improper performance).

### **Disaster risk**

The risk of loss caused by natural and/or man-made hazards. Disasters can impact economic regions, sectors and sometimes have a global impact on the economy and therefore the performance of the Sub-Funds.

## **Legal risk**

The risk from uncertainty due to legal actions or uncertainty in the applicability or interpretation of contracts, laws or regulations.

## **Reputational risk**

A threat or danger to the good name or standing of a business or entity. Reputational risk can occur through a number of ways: directly as the result of the actions of the Company itself; indirectly due to the actions of an employee or employees; or tangentially through other peripheral parties, such as joint venture partners or suppliers. In addition to having good governance practices, companies also need to be socially responsible and environmentally conscious to avoid reputational risk.

## **Tax risk**

The buying, holding or selling of assets may be subject to changing statutory fiscal regulations (e.g. deduction of withholding tax) outside the country of domicile of the Company.

## **OECD's BEPS action points**

As part of the BEPS project, new rules dealing inter alia with double tax treaties abuse, the definition of permanent establishments, controlled foreign companies and hybrid mismatch arrangements, are being introduced into respective domestic law of BEPS member states via EU directives and a multilateral instrument.

The European Council has adopted two Anti-Tax Avoidance Directives (being, Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("**ATAD I**") and Directive 2017/952/EU of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries ("**ATAD II**") that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented into Luxembourg law respectively on 21 December 2018 (the "ATAD I Law") and on 20 December 2019 (the "**ATAD II Law**") and almost all of them are applicable since 1 January 2019. The ATAD I Law as well as the ATAD II Law may have a material impact on how returns to Investors are taxed.

In particular, ATAD I Law and ATAD II Law introduced rules aiming at putting an end to hybrid mismatches that exploit differences in the tax treatment of an entity or instrument under the laws of two or more tax jurisdictions to achieve double non-taxation, including long-term taxation deferral.

The Luxembourg hybrid mismatch rules apply to hybrid mismatches between Luxembourg and (an)other Member State(s) and/or (a) third country(ies).

One point of specific attention is given to rules targeting Luxembourg hybrid entities and reverse hybrid entities which may apply in the case a Luxembourg "transparent" fund vehicle (from a Luxembourg tax perspective) is seen as opaque from the tax perspective of (some of) its investors (and provided all other conditions are met).

In this scenario, a tax adjustment may be required either at the level of the Company itself (the "**Reverse Hybrid Rule**") or at the level of the Investments (the "**Hybrid Entities Rule**"), depending on the case, in order to neutralise a hybrid mismatch in tax outcome.

It is worth noting that a Luxembourg fund which can be considered as a "collective investment vehicle" ("**CIV**") within the meaning of ATAD II Law should be excluded from the Reverse Hybrid Rule. However, even in the case the CIV exemption applies, it cannot be excluded that a tax adjustment would then be required at the level of the Investments under the Hybrid Entities Rule.

Consequently, hybrid mismatch rules should be carefully monitored as the investment returns for the Investors may be impacted as a result thereof.

At international level, the "Multilateral Convention to Implement Tax Treaty Related Measures to prevent Base Erosion and Profit Shifting" ("**MLI**") was published by the OECD on 24 November 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing the results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. The ratification process of Luxembourg has been achieved through the law of 7 March 2019 and the deposit of the ratification instrument with the OECD on 9 April 2019. As a consequence, the MLI will enter into force on 1 August 2019. Its application per double tax treaty concluded with Luxembourg will depend on the ratification by the other contracting state and on the type of tax concerned. Subsequent changes in tax treaties negotiated by Luxembourg incurred by the MLI could adversely affect the returns from the Company to its Investors.

## **5. SHARES**

Shares will be issued in registered form only. Shareholders shall receive a confirmation of their shareholding. The Company draws the Investors' attention to the fact that any Investor will only be able to fully exercise Shareholder's rights directly against the Company, notably the right to participate in general meeting of Shareholders if the Investor is registered himself/herself/itself and in his/her/its own name in the Shareholders' register of the Company. In cases where an Investor invests in the Company through an intermediary investing into the Company in his/her/its own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Shareholder's rights directly against the Company. Investors are advised to take advice on their rights.

Fractions of Shares up to three decimal places will be issued if so decided by the Board. Such fractions of Shares shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class on a *pro rata* basis.

Shares are of no par value and carry no preferential or pre-emptive rights. Each Share of the Company, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of Shareholders of the Company, in compliance with Luxembourg laws and the Articles, except if such Shares are issued within a Class without voting right as further set out under Section 6.6. "Classes of Shares" below.

## **6. ISSUE, REDEMPTION, SWITCH AND TRANSFER OF SHARES**

Late Trading is to be understood as the acceptance of a subscription or repurchase order after the time limit fixed for accepting a subscription or repurchase order (the "**Cut-Off Time**") on the Valuation Day and the execution of such order at the price based on the Net Asset Value applicable to such same Valuation Day. Late Trading is strictly forbidden.

Market Timing is to be understood as an arbitrage method through which a Shareholder systematically subscribes and repurchases Shares of the Company within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the Company or any Sub-Fund or Class. Market Timing practices may affect the performance of the Company through an increase of the costs and/or entail a dilution of the profit.

In order to avoid such practices and to protect the interests of the Shareholders, Shares are issued at a forward price and the Company will not accept orders received after the Cut-Off Time.

The Company and/or the Administrative Agent reserves the right to refuse orders from any person who is engaging in late trading activities and to take appropriate measures to protect other Shareholders of the Company. Furthermore, the Company and/or the Administrative Agent reserve(s) the right to reject any application for subscription of Shares which is suspected to be Market Timing.

#### **6.1. Issue of Shares**

Shares will be issued by each Sub-Fund and distributed pursuant to this Prospectus and each relevant Annex.

The offering details for each Sub-Fund are disclosed in each relevant Annex.

#### **6.2. Description of the Offer**

The Board may decide to offer Shares for subscription either by way of direct subscriptions, where the total amount subscribed has to be paid in a single instalment or by way of Commitments.

The Company reserves the right to accept or refuse any application in whole or in part in its entire discretion and without having to give the reasons thereof. The Company may also limit the distribution of Shares of a given Sub-Fund to Investors in specific countries.

Payment details in relation to the subscription of the Shares will be provided separately by CACEIS Bank to successful applicants.

In case of Commitments, the Board, or any other duly appointed entity may decide, in their absolute discretion, to drawdown the Commitments in one or more Drawdowns. The Board, or any other duly appointed entity may decide to call all or part of the Undrawn Commitments at any time during the Commitment Period, as disclosed in the relevant Annex. Drawdown Notices will be sent sufficiently in advance to each Investor at the address specified in the Subscription Form.

Unless otherwise provided for in the relevant Annex, Drawdown Notices shall, subject to the prior consent of the Shareholder, be made by email and notice shall be deemed to have been given to the Shareholder at the time of sending of the email. Shareholders are obliged to notify the Administrative Agent in writing in the event that their email addresses changes. None of the Company or the Administrative Agent shall be liable for any loss, damage or expense directly or indirectly suffered or incurred by a Shareholder arising directly or indirectly from a Shareholder's failure to notify the Administrative Agent of any change to the Shareholder's email address. Written notice of the Drawdown shall be issued to Shareholders following the issue of the email notice (if applicable).

Shares may be subscribed against contributions in kind considered acceptable by the Board on the basis of the Investment Objective and Policies of the relevant Sub-Fund and will be subject to an auditor's report to the extent required by Luxembourg laws. In such case, any costs incurred in connection with a contribution in kind will be borne by the Investor, unless the Board considers that the subscription in kind is in the interests of the Company, in which case such costs may be borne in all or in part by the Company, as determined by the Board.

### **6.3. Minimum Commitment/Subscription**

The Board may set and waive in its discretion a minimum Commitment or minimum initial subscription amount and minimum ongoing holding amount per Class in each Sub-Fund for each Shareholder, as disclosed in each relevant Annex. However, should an Investor be admitted through the criterion of article 2, (1), (b), (ii) of the Law, such minimum Commitment or minimum subscription amount shall not be waived below EUR 125,000 or its equivalent in other currencies.

### **6.4. Use of Proceeds**

The capital raised for each Sub-Fund will be used to:

- (a) acquire investments which meet the investment objective and policies criteria as set forth in each relevant Annex; and
- (b) pay all fees and expenses (including the establishment, organisation and running costs of the Company or of the relevant Sub-Fund) which is attributable to the relevant Sub-Fund.

### **6.5. Description of the Shares**

The Shares will be issued in registered form only and must be fully paid-up on issue, unless otherwise provided for in each relevant Annex. The Company will issue a confirmation of shareholding to the Shareholders in accordance with Section 5 "Shares" above.

The Shares carry no preferential or pre-emptive rights.

The Company 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 Company. Shares are notably exclusively restricted to Investors who qualify as Eligible Investors. Where it appears to the Company that any Prohibited Person is either alone or in conjunction with any other person a beneficial owner of Shares, the Company may take any appropriate measures to remedy that situation including purchase or redeem all the Shares so owned within the conditions provided for in the Articles.

### **6.6. Classes of Shares**

The Board may decide to create within each Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, currency of denomination, distribution policy or other specific features may apply to each Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class. The Board may decide to issue classes of shares with voting rights and classes of shares with no voting rights.

However, notwithstanding Classes of Shares may be issued with no voting rights, Shareholders of such classes shall nonetheless be entitled to vote at any general meeting of Shareholders resolving upon a change of the rights attached to the relevant shares or the dissolution of the Company.

The names and types of the different Classes created in each Sub-Fund are disclosed in each relevant Annex. The currency of each Class will be indicated in its name.

In case further Classes of Shares are issued within a specific Sub-Fund, the relevant Annex will be updated accordingly.

By derogation to the foregoing, the Board will be entitled to create Sub-Classes without amending the relevant Special Part provided that (i) the Sub-Classes only differ from the relevant Class by their reference currency, distribution policy or hedging policy and that (ii) the list of available Sub-Classes is available at the registered office of the Company. In such a case, the offering details (including the issue price) of the relevant Sub-Class will be disclosed in the Subscription Agreement and/or the latest annual report of the Company. The Board may also at any time resolve to close a Sub-Fund, or one or more Classes / Sub-Classes within a Sub-Fund, to further subscriptions.

Eligibility criteria may apply to certain Classes or Sub-Classes of Shares which may also be subject to specific minimum initial subscription amount. It is the responsibility of each Investor to ensure that they meet the conditions for accessing the Class in which they wish to subscribe.

Shares may be issued in various currencies as decided from time to time by the Board.

Shares can be divided into capitalisation Shares and distribution Shares. Distribution Shares will be entitled to a dividend, if such a dividend is decided, whereas the corresponding amount for capitalisation Shares will be invested in the Class in question rather than distributed.

Issue of Shares of a given Sub-Fund may be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund is suspended by the Company.

#### **6.7. Anti-Money Laundering**

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, the Grand Ducal Regulated dated 1 February 2010, the CSSF Regulation 12-02 of 14 December 2012 as amended by CSSF Regulation 20-05 of 14 August 2020, and the applicable CSSF circulars concerning the fight against money laundering and terrorism financing, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, a Luxembourg undertaking for collective investment must identify subscribers in accordance with Luxembourg laws and regulations. The Company may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted and the Company may delay and withhold the payment of all or any portion of distribution and/or redemption proceeds if appropriate to comply with applicable legal and regulatory requirements. Neither the Company nor its duly appointed agent(s) has any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations, including but not limited to the CRS Law.

Any information provided in this context is collected for anti-money laundering compliance purposes. By subscribing for Shares, each Investor acknowledges that the Company may disclose any information about such Investor to regulators and others upon request in connection with anti-money laundering and other legal and regulatory matters in any jurisdictions, including for the purpose of complying with the Luxembourg law of 13 January 2019 creating a register of beneficial owners.

The AIFM shall also ensure due diligence measures on the Company's investments are applied on a risk-based approach in accordance with Luxembourg applicable laws and regulations.

#### **6.8. Redemption of Shares**

Sub-Funds of the Company may be open-ended, as the case may be subject to a lock-up period, or closed-ended, as specified in each relevant Annex.

Terms and conditions for the redemption of Shares are described in each relevant Annex.

If, as a result of a redemption, the value of a Shareholder's holding in a Sub-Fund would become less than any minimum holding determined by the Board for a Sub-Fund, the relevant Shareholder will be deemed (if so decided by the Board) to have requested redemption of all of his/her/its Shares. Also, the Board may, at any time, decide to compulsorily redeem all Shares from Shareholders whose holding in a Sub-Fund is less than the minimum holding referred to above. In case of such compulsory redemption, the Shareholder concerned will receive a prior notice as determined by the Board so as to be able to increase his/her/its holding above the minimum holding at the applicable Net Asset Value.

Redemption of Shares of a given Sub-Fund may be suspended by the Board whenever the determination of the Net Asset Value per Share of such Sub-Fund is suspended by the Company.

A Shareholder may not withdraw his/her/its request for redemption of Shares of any one Sub-Fund except in the event of a deferral of his/her/its request as described below and, as the case may be, in the relevant Annex or a suspension of the determination of the Net Asset Value of the Shares of such Sub-Fund and, in such event, a withdrawal 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 withdrawn, the Company shall proceed to redemption as at the first applicable Valuation Day following the end of the suspension of the determination of the Net Asset Value of the Shares of the relevant Sub-Fund.

Redemption payments will in principle be made in the reference currency of the relevant Sub-Fund or Class. The Board may also agree to satisfy the payment of redemption proceeds in any other freely convertible currency specified by the Shareholder. In that case, any currency conversion cost shall be borne by the relevant Shareholder.

The Board and the relevant Shareholder may agree to satisfy the payment of redemption proceeds in kind. In such a case, the relevant Shareholder will receive a portfolio of assets from the relevant Class of equivalent value to the appropriate cash redemption payment. Any redemption in kind shall be specially accepted by the relevant Shareholder, which will always be entitled to request a cash redemption payment. Where the Shareholder agrees to accept redemption in kind he/she/it will, as far as possible, receive a representative selection of the Class' holdings *pro rata* to the value of Shares redeemed and the Board will make sure that the remaining Shareholders do not suffer any loss there from. To the extent legally or regulatory required or in any case so as to ensure the fair treatment of Shareholders, the valuation of the redemption in kind will be subject to a special audit report drawn up by the Approved Statutory Auditor. The specific costs for such redemptions in kind, in particular the costs of the special audit report, will have to be borne by the Shareholder or by a third party, unless the Board considers that the redemption in kind is in the interests of the Company in which case such costs may be borne in all or in part by the Company.

Unless otherwise stated in the relevant Annex and notwithstanding any other gating mechanism set out in the relevant Annex, if redemption or conversion requests from Shareholders for any applicable Valuation Day exceed in the aggregate more than 10% of the Net Asset Value of a Sub-Fund or Class (the "**Redemption Gate**"), the Board shall be



entitled at its discretion to decide that the payment of part or all of such requests for redemption or conversion or part or all the payment of such requests will be deferred for such period as the Board considers to be in best interest of the relevant Sub-Fund but normally not exceeding three months. Alternatively, if a Redemption Gate is reached, the Board may at its discretion decide that the processing of part or all of the redemption and conversion requests concerned be deferred to the following applicable Valuation Day and any subsequent applicable Valuation Day for as long as redemption and conversion requests exceed the Redemption Gate will be reduced proportionally and, for any given Valuation Day, deferred redemption and conversion requests will be dealt in priority to new redemption and conversion requests in the Sub-Fund concerned submitted with respect to a subsequent valuation Day. The redemption and conversion price applicable to deferred redemption and conversion requests will be the price as at the Valuation Day the portion of the deferred redemption/ conversion request has been effectively taken into account. If the Redemption Gate is reached for two (2) consecutive Valuation Days, the Board may at its discretion decide to reduce the Redemption Gate to 5% as from the second Valuation Day for which the Redemption Gate is reached.

In exceptional circumstances resulting in a lack of liquidity of certain investments made by certain Sub-Funds, the processing or the payment of redemption requests may be postponed and/or the issue and redemptions of Shares suspended by the Board.

The Board may compulsorily redeem Shares and the relevant Shareholder may be obliged to sell its Shares to the Company in case of occurrence of any circumstances provided for in this Prospectus and within any applicable conditions provided for in the Articles, including but not limited to:

- Redemptions in connection with distributions;
- Redemption of Shares held by a Defaulting Investor;
- Redemptions from Prohibited Persons;
- Redemption of Shares that have been subscribed for or are held in breach of this Prospectus or the Articles;
- Redemption of Shares for equalisation purposes; or
- Redemption of Shares whose subscribed amounts would be insufficient to cover the relevant subscription price (including for the avoidance of doubt any applicable subscription charge).

#### **6.9. Conversion of Shares**

Subject to meeting the access conditions of a particular Class and any other restriction disclosed in the relevant Annex, Shareholders of one Sub-Fund may ask for some or all of their Shares to be converted into Shares of another Sub-Fund or within a Sub-Fund for different Class(es), in which case the conversion price will be calculated according to the respective Net Asset Values, which may be increased or reduced, in addition to administrative charges.

Unless otherwise provided for in the relevant Annexes, a conversion into Shares of another Sub-Fund is acceptable only between Sub-Fund which have the same Valuation Day.

Unless otherwise indicated in the relevant Annex, for any conversion application received by the Administrative Agent by the cut-off time specified for each Sub-Fund in the relevant Annex at the latest, the redemption price and issue price applicable to a conversion request will be those calculated as at the relevant Valuation Day.

If authorised, conversions are subject to the following terms and conditions, unless otherwise provided for in each relevant Annex.

Any request for conversions shall be irrevocable and may not be withdrawn by any Shareholder in any circumstances, except in the event of a deferral of his/her/its request or a suspension of the determination of the Net Asset Value of

the relevant Sub-Fund. In the event of a suspension, the Company will process the conversion requests with respect to the first applicable Valuation Day following the end of the period of suspension.

Acceptance of any application for conversion is contingent upon the satisfaction of any conditions (including any minimum subscription and prior notice requirements) applicable to the Sub-Fund or Class into which the conversion is to be effected. If, as a result of a conversion, the value of a Shareholder's holding in the new Sub-Fund or Class would be less than any minimum holding amount specified in the relevant Annex, the Board may decide not to accept the conversion request. If, as a result of a conversion, the value of a Shareholder's holding in the original Sub-Fund or Class would become less than the minimum holding amount specified in the relevant Annex, the Board may decide that such Shareholder shall be deemed to have requested the conversion of all of his Shares.

Unless specifically otherwise provided, the prior notice requirements for redemptions as specified for a given Sub-Fund in the relevant Annex shall be applicable to conversion requests.

The number of full and fractional Shares issued upon conversion is determined on the basis of the Net Asset Value per Share of each Sub-Fund or Class concerned as at the common Valuation Day on which the conversion request is done.

To cover any transaction costs which may arise from the conversion, including, as the case may be, costs of unwinding a hedging position, the Board may charge, for the benefit of the original Sub-Fund, a conversion fee as disclosed in the relevant Annex.

#### **6.10. Transfer of Shares**

If not otherwise provided for in the Annex of the relevant Sub-Fund, the Shares are freely transferable; provided however that transfer of Shares may only be carried out if the transferee qualifies as an Eligible Investor. Transfer of Shares may normally be effected by delivery to the Transfer, Registrar and Paying Agent of an instrument of transfer in appropriate form together with the relevant certificate(s).

Shareholders are recommended to contact the Administrative Agent prior to requesting a transfer to ensure that they have all the correct documentation for the transaction.

The Company may request, as a condition precedent to the prior acceptance of the transfer, the transferring Shareholder to convert without cost to the Company the Shares held into a Class in which the transferee is eligible to participate.

Certain Annexes may disclose further conditions as regards to the transfer of Shares.

### **7. NET ASSET VALUE**

#### **7.1. Calculation of Net Asset Value**

The Net Asset Value of each Class of each Sub-Fund is determined as at each Valuation Day specified in the relevant Annex.

The Net Asset Value of each Class of each Sub-Fund will be determined and made available in its reference currency.

The Net Asset Value per Share of each Class for each Sub-Fund is determined by dividing the value of the total assets of the Sub-Fund properly allocate to such Class less the liabilities of the Sub-Fund properly allocate to such Class by the

total number of Shares of such Class outstanding as at any Valuation Day. The Net Asset Value will be calculated up to three decimal places on each Valuation Day.

Assets will be valued in accordance with the following principles:

- (a) The securities admitted for listing on an official stock exchange or on another regulated market will be valued using the last known price unless this price is not representative.
- (b) Securities not admitted to such listing or not on a regulated market and securities thus listed but whose last known price is not representative, will be valued at their fair value estimated prudently and in good faith. The Board may set specific thresholds that, where exceeded, will trigger an adjustment to the value of these securities to their fair value.
- (c) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, dividends and interest declared or accrued and not yet obtained, will be constituted by the nominal value of the assets, unless it appears unlikely that this amount will be obtained, in which case the value will be determined after deducting the amount that the AIFM deems appropriate to reflect the true value of these assets.
- (d) Money market instruments will be valued using the amortised cost method at their nominal value plus any accrued interest or the "mark-to-market" method. When the market value is different to the amortised cost, the money market instruments will be valued using the mark-to-market method.
- (e) Securities expressed in a currency other than that of the relevant Sub-Fund will be converted to the currency of that Sub-Fund at the applicable exchange rate.
- (f) Units/shares issued by open-ended-type UCI:
  - on the basis of the last net asset value known by the central Administrative Agent, or
  - on the basis of the net asset value estimated on the closest date to the relevant Sub-Fund's Valuation Day.
- (g) Units/shares/interests issued by close-ended-type UCI on the basis of the latest valuation of the units/shares/interests of such UCI as communicated by such UCI or its agents.
- (h) The value of companies that are not admitted for listing on an official or regulated market may be determined using a valuation method proposed in good faith by the Board based on the last audited annual financial statements available, and/or on the basis of recent events that may have an impact on the value of the security in question and/or on any other available valuation. The choice of method and of the medium allowing the valuation will depend on the estimated relevance of the available data. The value may be corrected according to any unaudited periodic financial statements available. If the AIFM deems that the price is not representative of the probable selling value of such a security, it will then estimate the value prudently and in good faith on the basis of the probable selling price.
- (i) The value of forward contracts (futures and forwards) and option contracts traded on a regulated market or a securities exchange will be based on the closing or settlement prices published by the regulated market or securities exchange that as a general rule constitutes the principal place for trading those contracts. If a forward contract or option contract cannot be liquidated on the valuation date of the net assets in question, the criteria for determining the liquidation value of the forward or option contract will be set by the Board in a reasonable and equitable manner. Forward contracts and option contracts that are not traded on a regulated market or on a securities exchange will be valued at their liquidation value determined in accordance with the rules established in good faith by the Board and according to standard criteria for each type of contract.

- (j) The expected future flows, to be received and paid by the Sub-Fund pursuant to swap contracts, will be valued at their updated values.
- (k) When it deems necessary, the AIFM or the Board may establish a valuation committee whose task will be to estimate prudently and in good faith the value of certain securities.
- (l) Debentures (as defined in the relevant Annex) will be valued on the basis of the last known NAV of the Master Fund.
- (m) All other securities and assets will be valued at fair value as determined in good faith pursuant to procedures established by the AIFM.

The value of assets denominated in a currency other than the reference currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of determination of the Net Asset Value.

The Administrative Agent under the oversight and responsibility of the Board and the AIFM is in charge of calculating the Net Asset Value of each Sub-Fund and the Net Asset Value per Share of each Sub-Fund, based on the valuation rules as set out above.

When it deems necessary, the AIFM may establish a valuation committee whose task will be to estimate prudently and in good faith the value of certain securities.

For the purpose of items (a) to (i) above where the context so requires, any reference to the AIFM shall be construed as referring to any external valuer or committee the case being appointed by the AIFM.

If any external valuer is appointed by the AIFM in respect of the valuation of the assets of any Sub-Fund, the identity of such external valuer will be made available at the registered office of the Sub-Fund.

The AIFM may, at its discretion, permit some other method of valuation to be used if it considers that such method of valuation better reflects the true value and is in accordance with good accounting practice.

The assets and liabilities of the Company shall be allocated in such manner as to ensure that the proceeds received upon the issue of Shares of a specific Sub-Fund shall be attributed to that Sub-Fund. All of the assets and liabilities of a specific Sub-Fund as well as the income and expenses which are related thereto shall be attributed to that Sub-Fund. Assets or liabilities which cannot be attributed to any particular Sub-Fund shall be allocated to all the Sub-Funds *pro rata* to their respective Net Asset Values. The proportion of the total net assets attributable to each Sub-Fund shall be reduced as applicable by the amount of any distribution to Shareholders and by any expenses paid.

The latest net asset values and/or market prices of the Company and/or the Shares, as the case may be, are available at the registered office of the Company.

Any reference to the AIFM above shall be read as a reference to the AIFM acting in consultation with or subject to the approval of the Board where applicable.

## **7.2. Suspension of the Calculation of the Net Asset Value**

The Company may decide to temporarily suspend the calculation of the Net Asset Value of one or more Sub-Funds and may further decide in such a case to suspend the issue, redemption and conversion of Shares of such Sub-Fund(s) in any of the following events:

- (a) during any period when any one of the stock exchanges or other principal markets on which a substantial

portion of the assets of the Company attributable to such Sub-Fund(s), from time to time, is quoted or dealt in is closed (otherwise than for ordinary holidays) or during which dealings therein are restricted or suspended provided that such restriction or suspension affects the valuation of the investments of the Company attributable to such Sub-Fund(s) quoted thereon; or

- (b) during any period when, as a result of political, economic, military or monetary events or any circumstances (including cases of *force majeure*) outside the control, responsibility and power of the Board, or the existence of any state of affairs which constitutes an emergency in the opinion of the Board, disposal or valuation of the assets held by the Company attributable to such Sub-Fund(s) is not reasonably practicable without this being detrimental to the interests of Shareholders, or if in the opinion of the Board, the issue and, if applicable, redemption prices cannot fairly be calculated; or
- (c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Company attributable to such Sub-Fund(s) or the current prices or values on any stock exchanges or other markets in respect of the assets attributable to such Sub-Fund(s); or
- (d) during any period when dealing the units/shares of an investment vehicle in which the concerned Sub-Fund(s) may be invested are restricted or suspended; or, more generally, during any period when remittance of monies which will or may be involved in the realisation of, or in the payment for any of the concerned Sub-Fund(s)' investments is not possible; or
- (e) when, as a result of currency restrictions or restrictions on the movement of capital, transactions for the Company are rendered impracticable, or purchases or sales of the Company's assets cannot be carried out at normal rates of exchanges; or
- (f) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund(s) or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares of the Company cannot, in the opinion of the Board, be effected at normal exchange rate; or
- (g) from the time of publication of a notice convening an extraordinary general meeting of Shareholders for the purpose of winding up the Company or any Sub-Fund(s), or merging the Company or any Sub-Fund(s), or informing the Shareholders of the decision of the Board to terminate or merge any Sub-Fund(s); or
- (h) when for any other reason, the prices of any investments owned by the Company attributable to such Sub-Fund cannot be promptly or accurately ascertained; or
- (i) during any other circumstance where a failure to do so might result in the Company, any of its Sub/Funds or its Shareholders incurring any liability, pecuniary disadvantages or any other detriment which the Company, any Sub-Fund or its Shareholders might so otherwise not have suffered;
- (j) in case of master-feeder structures, when a Class or a Sub-Fund is a Feeder Fund of another fund, the latter may temporarily suspend the issue, redemption and conversion of shares, if the said Master Fund or Sub-Fund or Class suspends itself the issue, redemption and conversion of shares; or

- (k) during any period when in the opinion of the Board there exist circumstances outside of the control of the Company where it would be impracticable or unfair towards the Shareholders to continue dealing in Shares of the concerned Sub-Fund(s) or Class(es) of the Company.

Notice of the suspension shall be given by the Company to all the Shareholders affected, i.e. having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended.

In the event of suspension of the calculation of the Net Asset Value of the relevant Sub-Fund, the suspension notice sent to the Shareholders may grant the right to withdraw their application. If no such notice is received by the Company, such application will be dealt with as the case may be on the first Subscription Day, redemption or conversion day following the end of the period of suspension.

The Company may decide to apply the above rules at the level of one or more Classes, *mutatis mutandis*.

## **8. MANAGEMENT AND ADMINISTRATION OF THE COMPANY**

### **8.1. The Board**

The Board is responsible for the management of the Company, and in particular for defining and implementing the Company's investment policy according to the general guidelines set out in this document.

The Board members shall be elected by the Shareholders holding Shares with voting rights at a general meeting for a period determined by the meeting in compliance with the Company Law. Any Board member may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting of the Shareholders holding Shares with voting rights.

The Board has appointed the AIFM to act as alternative investment fund manager of the Company as set out under Section 8.2 below. The Board may delegate, under its responsibility, certain tasks to third party service providers to assist the Board in the organisation and management of the Company's investment portfolio.

### **8.2. AIFM**

ISEC Services AB (the "**AIFM**") is the designated external AIFM (within the meaning of the AIFM Directive) of the Company.

The AIFM is a public limited company established under Swedish law and registered in the Bolagsverket's Company Register under number 556542-2853. It was incorporated in 1997 for an unlimited period of time and has its registered and principal office at Vattugatan 17, 111 52 Stockholm Sweden. The sole shareholder in the Management Company is ISEC Group AB, Stockholm, Sweden.

The AIFM is licensed by the SFSA to manage Swedish UCITS (Sw. värdepappersfonder) pursuant to Chapter 1, Section 4 of the Swedish UCITS Act (Sw. lagen 2004:46 om värdepappersfonder). The AIFM, is a manager for Alternative Investment Funds under the Swedish Alternative Investment Manager Act 2013:561 ("LAIF") and is regulated by the SFSA in Sweden.

The corporate purpose of the AIFM is to offer the financial market management company services as well as administrative services such as transfer agent, fund management and similar services. The AIFM's share capital amounts to SEK 1,500,000 and has been totally paid up.

The board of directors of the AIFM comprises the following members:

**Chairman**

- Jonas Eliasson, Diakongränd 32, 128 68 Sköndal, Sweden;

**Directors**

- Andréas Serrander, Head of Client Success ISEC Group AB, Vattugatan 17, 111 52 Stockholm, Sweden;
- Therece Selin, CEO, ISEC Group AB, Vattugatan 17, 111 52 Stockholm, Sweden; and
- Marie Friman, c/o Apriori Law, Nybrogatan 7, 114 34 Stockholm, Sweden.

*Description of duties*

The AIFM is, in accordance with the AIFM Directive, responsible for the investment management function of the Company, namely **(a)** the portfolio management function and **(b)** the risk management function.

The AIFM may carry out any activities connected directly or indirectly to, and/or deemed useful and/or necessary for the accomplishment of its objectives, remaining, however, within the limitations set forth in, but to the furthest extent permitted by, the provisions of its governing laws and regulations.

All of the above duties are more fully described in the AIFM agreement, a copy of which is available at the registered office of the AIFM.

*Professional liability*

The AIFM shall cover potential liability risks arising from professional negligence by holding suitable professional indemnity insurance, that is appropriate to the professional liability risks covered.

In accordance with the requirements of Article 9.7 of the AIFM Directive, the AIFM is holding additional own funds, which are appropriate to cover potential liability risks arising from professional negligence. More information regarding this cover may be obtained at the AIFM's registered office.

*Delegation*

The AIFM is authorised to appoint delegates in relation to its functions in accordance with the AIFM Rules. Information about conflicts of interests that may arise from these delegations is available at the registered office of the AIFM.

The AIFM will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreement entered into between the AIFM and the relevant third parties provide that the AIFM can give at any time further instructions to such third parties, and that it can withdraw their mandates under certain circumstances.

Delegates are entitled to receive as remuneration for their services hereunder such fee payable as is set out in the relevant agreement or as may otherwise be agreed upon from time to time. Such fees are payable directly out of the assets of the relevant Sub-Funds or by the AIFM out of fees it receives from the Company as described in the relevant Annex.

All delegations shall be carried out in accordance with the AIFM Rules.

### *Voluntary Removal*

In the case of voluntary withdrawal of the AIFM, the removal of the AIFM by the Board, the AIFM no longer fulfilling the conditions set forth in the Law or the insolvency of the AIFM, the Board will take all necessary measures to replace the AIFM with another alternative investment fund manager that fulfils the conditions required by the Law. If the AIFM has not been replaced within two (2) months, the Board shall, within three (3) months following the withdrawal of the AIFM, request the Luxembourg District Court dealing with commercial matters to pronounce the dissolution and liquidation of the Company in accordance with the provisions of the Law.

### *AIFM Fee*

A fee will be paid to the AIFM in consideration for the services provided to the Sub-Funds as further detailed in the relevant Annex.

### **8.3. Investment Managers**

The AIFM may delegate the portfolio management function, with respect to certain Sub-Funds, as further set out in the relevant Annex(es).

Such Investment Manager (if any) will provide investment management services to the AIFM with respect to all markets invested by the relevant Sub-Fund. The Investment Manager will also be authorized to make purchases or sales of securities on behalf of the Company and under the control and responsibility of the AIFM, subject to the Sub-Fund's investment policy and restrictions and any guidelines received from the AIFM from time to time.

The Investment Manager is authorised to delegate under its own responsibility and at its own costs part or whole of its investment management functions to sub-investment managers in which case the Investment Manager will monitor on a continual basis the activities of the delegated sub-investment managers.

### **8.4. Distributor**

The Company may appoint one or more distributor(s) for the purpose of distributing the Shares of the Sub-Funds. In such case, information in relation to such distributor(s) will be set out in the Annex in relation to the relevant Sub-Fund.

### **8.5. Depositary**

CACEIS Bank, Luxembourg Branch is acting as the AIF 's depositary (the "Depositary") in accordance with a depositary agreement dated [date] as amended from time to time (the "Depositary Agreement") and the relevant provisions of the [UCI/SIF/SICAR] Act and AIFM Rules.

CACEIS Bank, Luxembourg branch is acting as a branch of CACEIS Bank, a public limited liability company (société anonyme) incorporated under the laws of France with a share capital of 1 280 677 691,03 Euros having its registered office located at 89-91, rue Gabriel Peri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Nanterre. CACEIS Bank is an authorised credit institution supervised by the



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

Investors are invited to consult upon request at the registered office of the AIF the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping of the AIF's assets, and it shall fulfil the obligations and duties provided for by the [UCI/SIF/SICAR] Act and the AIFM Act. In particular, the Depositary shall ensure an effective and proper monitoring of the AIF's cash flows.

In due compliance with the AIFM Rules (including but not limited to Article 21.9 of the AIFM Directive and Articles 92 to 97 of the AIFM Regulation), the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of Units are carried out in accordance with the AIFM Act and the Constitutive Documents;
- (ii) ensure that the value of the Units is calculated in accordance with the AIFM Act, the Constitutive Documents and the procedures laid down in Article 19 of the AIFM Directive;
- (iii) carry out the instructions of the AIF, unless they conflict with the AIFM Act or the Constitutive Documents;
- (iv) ensure that in transactions involving the AIF's assets any consideration is remitted to the AIF within the usual time limits;
- (v) ensure that the AIF's income is applied in accordance with the AIFM Act and the Constitutive Documents.

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

In compliance with the provisions of the AIFM Act and the AIFM Act, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to Correspondent or Third Party as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the AIFM Act. In particular, under the conditions laid down in article 19(14) of the AIFM Act, including the condition that the Investors have been duly informed of that discharge and of the circumstances justifying the discharge prior to their investment, the Depositary can discharge itself of liability in the case where the law of a third country requires that certain financial instruments are held in custody by a local entity and there are no local entities that satisfy the delegation requirements laid down in article 19(11) point (d)(ii) of the AIFM Act.

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

The Depositary has no decision-making discretion nor any advice duty relating to the AIF's investments. The Depositary is a service provider to the AIF and is not responsible for the preparation of this Offering Document and therefore accepts no responsibility for the accuracy of any information contained in this Offering Document or the validity of the structure and investments of the AIF.

## **8.6. Administrative Agent**

The Company has appointed CACEIS Bank (as more fully described above) as Administrative Agent.

CACEIS Bank has also been appointed as registrar and transfer agent, corporate agent, domiciliation agent and principal paying agent of the Company.

In such capacities, CACEIS Bank is responsible amongst other for **(i)** the general administrative functions required by Luxembourg law such as processing the issue and repurchase of Shares, calculation of the Net Asset Value of the Shares and the maintenance of accounting records and **(ii)** the compliance with Luxembourg laws and regulations on the fight against money laundering and financing of terrorism, as more fully described in the Investment Fund Services agreement, a copy of which is available at the registered office of the Company.

## **8.7. Approved Statutory Auditor**

Deloitte Audit has been appointed as Approved Statutory Auditor of the Company and will audit the Company's annual financial statements. The LUX GAAP accounting principles shall apply for the preparation of the accounts of the Company.

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

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

## **8.8. Shareholders' Rights against Service Providers**

It should be noted that Shareholders will only be able to exercise their rights directly against the Company and will not have any direct contractual rights against the service providers of the Company 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).

## **9. FEES AND EXPENSES**

The fees charged to each Sub-Fund or Class are detailed in the relevant Annex.

### **9.1. Fees payable to the Investment Manager(s)**

A fee will be paid to the Investment Manager(s) in consideration for the services provided to the Sub-Funds as further detailed in the relevant Annex.

The Investment Manager(s) may be entitled to receive performance fees as further detailed in the relevant Annex.

### **9.2. Depositary and Administrative Agent Fees**

The Depositary is entitled to receive in consideration to the services it performs in such capacity a fee calculated on the basis of the net assets of the Company as follows:

<b>Structure Size – Compartment/Sub-fund level GAV for umbrella funds</b>	<b>Annual Safekeeping and Oversight Fee: compartment/sub-fund for umbrella funds</b>
<b>First 200 million</b>	2.25 bps
<b>Next 300 million</b>	2.00 bps
<b>Above 500 million</b>	1.75 bps

with a minimum of Euro 22,000.00 per annum

#### Administrative Agent Fee

The Administrative Agent is entitled to receive in consideration to the services it performs in such capacity a fix fee amounting to Euro 59,000.00

#### Domiciliation and Corporate Secretary Fee

The Domiciliation Agent is entitled to receive in consideration to the services it performs in such capacity a fix fee amounting to Euro 15,000.00

In addition to the above, for the performance of certain specific administrative tasks, such as but not limited to the issuance of an audit confirmation letter, the Administrative Agent shall also be entitled to receive out the assets of the Company a remuneration for such services in such amount as may be agreed between the Administrative Agent and the Company.

### **9.3. Formation and launching expenses of the Company and of new Sub-Funds**

The total costs and expenses of establishing the Company will be borne by the initial Sub-Fund and will be amortized a period not exceeding five (5) years.

The expenses incurred by the Company in relation to the launch of new Sub-Funds or Classes will be borne by, and payable out of the assets of, those Sub-Funds or Classes and may be amortized over a period not exceeding five (5) years.

### **9.4. Other Fees and Expenses of the Company**

To the extent not expressly covered in the Administrative Agent Fee, the Company will pay all charges and expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, research costs, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares of the Company may be marketed in different countries; expenses incurred in the issue, conversion and redemption of Shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

Any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets will be borne by the Company.

CACEIS Bank, in its capacity as domiciliation agent of the Company will receive an annual domiciliation fee (“**Domiciliation Fee**”) for an amount detailed in the in the relevant Annex.

All recurring fees are first deducted from the investment income, then from realized capital gains and then from the assets. Other expenses may be written off over a period of not exceeding five (5) years.

#### **9.5. Other Fees and Expenses of the Sub-Funds**

Each Sub-Fund will bear the specific fees and expenses provided for in the relevant Annex.

### **10. DISTRIBUTION POLICY**

Distributions may be made under the form of redemption of Shares, dividends or otherwise, as determined by the Board and in accordance with the provisions of the Prospectus and the Articles. In particular, distributions made by redemption of Shares will be subject to the provisions of Section 6.8 "Redemption of Shares" of the Part I of this Prospectus.

In each Class within each Sub-Fund, the Board may, in its discretion, issue capitalisation Shares and distribution Shares. The Board reserves the right to introduce a distribution policy that may vary between Sub-Fund and Classes of shares in issue.

Distribution Shares may pay a dividend to their holders whereas capitalisation Shares capitalise their entire earnings.

Any revenue attributable to capitalisation Shares will not be distributed but rather invested in the Class concerned and increase the Net Asset Value of the relevant Class of Shares.

No distribution may be made if, as a result, the Net Asset Value of the Company would fall below the equivalent of Euro 1,250,000.

Interim dividends may be distributed as the Board may determine in compliance with the Law.

Dividends and interim dividends not claimed within five years of the date of payment will lapse and will return to the Sub-Fund concerned.

### **11. TAXATION IN LUXEMBOURG**

**The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This tax section is a short summary of certain Luxembourg tax principles that may be or may become relevant with respect to the investments in the Company. IT DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ALL LUXEMBOURG TAX LAWS AND CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN, OWN, HOLD, OR DISPOSE OF SHARES. IT DOES NOT CONSTITUTE AND SHOULD NOT BE CONSIDERED AS TAX ADVICE TO ANY PARTICULAR INVESTOR OR POTENTIAL INVESTOR. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.**

#### **11.1. Taxation of the Company**

The Company is subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.01% per annum based on its net asset value at the end of the relevant quarter, calculated and paid quarterly.

However, subscription tax exemption is applicable to:

- the portion of the Company's assets invested in other Luxembourg UCIs subject themselves to the subscription tax;
- the Company as well as its individual Sub-Funds (i) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (ii) the weighted residual portfolio maturity does not exceed 90 days, and (iii) that has obtained the highest possible rating from a recognised rating agency;
- the Company as well as its individual Sub-Funds, the Shares of which are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or more employers' initiative for the benefit of their employees; and (ii) companies of one or more employers investing funds they hold in order to provide retirement benefits to their employees; and
- The Company as well as its Sub-Funds whose investment policy provides that at least 50% of their assets shall be invested in one or several microfinance institutions.

## **11.2. Withholding tax**

### Investor withholding tax

Distributions by the Company as well as liquidation proceeds and capital gains derived therefrom are made free and clear from withholding tax in Luxembourg.

### Withholding tax in source countries

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of the Investments. However, the Company benefits from certain double tax treaties entered into by Luxembourg providing for an exemption withholding tax or a reduction of withholding tax.

## **11.3. Taxation of the Shareholders**

### Luxembourg Resident Shareholders

#### *Individual Shareholders*

A Luxembourg resident individual Shareholder is subject to Luxembourg personal income tax levied at progressive rates with respect to income or gains derived from the Shares.

Capital gains realised upon the disposal of the Shares held by a resident individual Shareholder who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation:

- Speculative gains are subject to progressive income tax if the Shares are disposed of within six months after their subscription or purchase.
- Capital gains realised on a substantial participation more than six months after the acquisition thereof are taxed at half the average combined tax rate.

A participation is deemed to be substantial where a resident individual Shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the capital of the Company in which she/he hold the substantial participation.

A Shareholder is also deemed to alienate a substantial participation if she/he acquired free of charge, within the five years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period).

#### *Corporate Shareholders*

A fully taxable resident corporate Shareholder will in principle be subject to corporate income tax, municipal business tax and an employment fund surcharge at ordinary rates ("**Corporation Taxes**"), in respect of income or gains derived from the Shares.

Luxembourg corporate resident Shareholders which benefit from a special tax regime, such as, for example, (i) undertakings for collective investment subject to the law of 17 December 2010 relating to undertakings for collective investments, (ii) specialized investment funds subject to the law of 13 February 2007 relating to specialized investment funds, (iii) reserved alternative investment funds (not opting for the treatment as a venture capital vehicle for Luxembourg tax purposes) subject to the law of 23 July 2016 relating to reserved alternative investment funds or (iv) family wealth management companies subject to the law of 11 May 2007 related to family wealth management companies, are exempt from Corporation Taxes in Luxembourg and are instead subject to an annual subscription tax (*taxe d'abonnement*).

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Shareholder subject to net wealth tax levied on a yearly basis at a rate of 0.5%. A reduced rate of 0.05% is available for the part of the net wealth exceeding EUR 500,000,000.

Luxembourg corporate resident Shareholders which benefit from a special tax regime, such as, for example, (i) undertakings for collective investment subject to the law of 17 December 2010 relating to undertakings for collective investments, (ii) vehicles governed by the law of 22 March 2004 on securitization, , (iii) companies governed by the law of 15 June 2004 on venture capital vehicles, (iv) specialized investment funds subject to the law of 13 February 2007 relating to specialized investment funds, (v) reserved alternative investment funds subject to the law of 23 July 2016, relating to reserved alternative investment funds or (vi) family wealth management companies subject to the law of 11 May 2007 related to family wealth management companies, or (vii) a professional pension institution governed by the law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital and pension savings associations are exempt from net wealth tax.

A minimum net wealth tax may however be due under certain circumstances by certain resident corporate investors.

#### *Non-resident Shareholders*

Shareholders not domiciled, resident or not having a permanent establishment or permanent representative in Luxembourg for taxation purposes are not liable to any corporation, income, transfer, capital or other taxes in Luxembourg on holding, sale, purchase or repurchase of Shares in the Company.

## Residence

An Investor will not become resident, or deemed to be resident, in Luxembourg by reason only of holding the Shares. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax.

### 11.4. Automatic Exchange of Information

#### 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 on a global basis.

On 29 October 2014, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. 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 ("**DAC2**") was adopted to implement the CRS among the EU Member States. The CRS and the DAC2 were implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**").

The CRS Law requires Luxembourg financial institutions to identify their financial account holders (including certain entities and their controlling persons) and establish if they are fiscally resident in (i) an EU Member State other than Luxembourg or (ii) a jurisdiction which has signed the Multilateral Agreement and which is identified in the list of reportable jurisdictions published by Grand Ducal Decree ("**CRS Reportable Accounts**"). The first official list of CRS reportable jurisdictions was published on 24 March 2017 and is updated from time to time. Luxembourg financial institutions will then report the information on such CRS Reportable Accounts to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company may require its Shareholders to provide information or documentation 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 holding in the Company to the Luxembourg tax authorities (*Administration des Contributions Directes*) if such an account is deemed a CRS Reportable Account under the CRS Law.

By investing in the Company, the Shareholders acknowledge that (i) the Company 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 (*Administration des Contributions Directes*) and to the tax authorities of CRS reportable jurisdictions; (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 (*Administration des Contributions Directes*).

Prospective investors should consult their professional advisor on the individual impact of the CRS. The Shareholders undertake to inform the Company within thirty (30) days of receipt of any statement that would affect its status including inaccurate personal data. The Shareholders further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the information after occurrence of such changes. Any Shareholder that fails to comply with the Company's information or documentation requests may be held liable for any penalties imposed on the Company and attributable to such Shareholder's failure to provide the documentation.

The Company reserves the right to refuse any application for Shares if it would result from the information provided by a potential investor that it would not meet the eligibility criteria mentioned above.

The Company reserves the right to refuse any subscription for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Prospective investors should consult their professional advisor on the individual impact of the CRS.

#### DAC6

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("**DAC6**"). DAC6 has been implemented in Luxembourg by the law of 25 March 2020 (the "**DAC6 Law**").

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, satisfy one or more "hallmarks" provided for in the DAC6 Law that is coupled in certain cases, with the main benefit test (the "**Reportable Arrangements**").

In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with the persons that design, market, organise, make available for implementation or manage the implementation of the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called "intermediaries"). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

Starting from January 1, 2021, Reportable Arrangements must be reported within thirty days from the earliest of (i) the day after the Reportable Arrangement is made available for implementation or (ii) the day after the Reportable Arrangement is ready for implementation or (iii) the day when the first step in the implementation of the Reportable Arrangement has been made.

The information reported will be automatically exchanged between the tax authorities of all Member States.

In light of the broad scope of the DAC6 Law, transactions carried out by the Company may fall within the scope of the DAC6 Law and thus be reportable.

#### **11.5. FATCA**

The Foreign Account Tax Compliance Act ("**FATCA**") requires financial institutions outside the U.S. ("foreign financial institutions" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified U.S. Persons", directly or indirectly, to the U.S. tax authorities (the Internal Revenue Service, "**IRS**") on an annual basis. A 30% withholding tax is imposed on certain U.S. 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 ("**Luxembourg IGA**") with the United States and a memorandum of understanding in respect thereof. The Company would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA ("**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may



be required to collect information aiming to identify its financial account holders (including certain entities and their controlling persons) that are Specified U.S. Persons for FATCA purposes ("**FATCA Reportable Accounts**"). Any such information on FATCA Reportable Accounts provided to the Company will be shared with the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange that information on an automatic basis with the IRS.

The Company intends to comply with the provisions of the FATCA Law and 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 Company. The Company will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company may:

- a. request information or documentation, including W-9 or 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 that Shareholder's FATCA status;
- b. report information concerning a Shareholder and his/her/its account holding in the Company to the Luxembourg tax authorities (*Administration des Contributions Directes*) if such account is deemed a FATCA Reportable Account under the FATCA Law and the Luxembourg IGA;
- c. deduct applicable U.S. withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- d. divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

By investing in the Company, the Shareholders acknowledge that (i) the Company is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will inter alia be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and to the IRS; (iv) responding to FATCA-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 (*Administration des Contributions Directes*).

The Shareholders undertake to inform the Company within thirty (30) days of receipt of any statement that would affect its status including inaccurate personal data. The Shareholders further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the information after occurrence of such changes. Any Shareholder that fails to comply with the Company's information or documentation requests may be held liable for any taxes or penalties imposed on the Company and attributable to such Shareholder's failure to provide the documentation.

The Company reserves the right to refuse any application for Shares if it would result from the information provided by a potential investor that it would not meet the eligibility criteria mentioned above.

Prospective investors should consult their professional advisor on the individual impact of FATCA.

## **12. GENERAL INFORMATION**

### **12.1. Reports**

The financial year of the Company ends on 31 December in each year and for the first time on 31 December 2023.

Audited financial statements of the Company will be prepared in EUR in accordance with Luxembourg generally accepted accounting principles (for the first time with respect to the financial year ending on 31 December 2023) and will be available to Shareholders within six months from the end of the period to which they relate.

Prices of the Shares used for the preparation of the audited financial statements will be the Net Asset Value as at the last Business Day in December of each year.

The Board may decide to issue separate annual report for each Sub-Fund.

Copies of the latest annual report will be sent free of charge on request.

### **12.2. Meetings of Shareholders**

The annual general meeting of Shareholders of the Company will be held at the registered office of the Company or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice at any date and time decided by the Board but no later than within six months from the end of the Company's financial year and for the first time in 2024.

Other general meetings of Shareholders may be held in accordance with the Articles and Luxembourg laws.

General meetings of the Shareholders of a Sub-Fund may be held upon proposal of the Board with respect to matters specific to such Sub-Fund.

Except as otherwise required by applicable law or stipulated in the Articles, resolution at a meeting of Shareholders will be passed by a simple majority of votes casts.

Notwithstanding the fact that Classes of Shares may be issued with no voting rights, Shareholders of such Classes shall nonetheless be entitled to vote at any general meeting of Shareholders resolving upon a change of the rights attached to the relevant Shares or the dissolution of the Company.

The Board may suspend the right to vote of any Shareholder holding Shares with voting rights which does not fulfil its obligations under the Articles or any document (including any applications Subscription Form) stating its obligations towards the Company and/or the other Shareholders.

Any Shareholder holding Shares with voting rights may also individually decide not to exercise, temporarily or definitively, its voting right on all or part of its Shares. Such a Shareholder is bound by such waiver which is enforceable towards the Company from the date of its notification.

In case the voting rights of one or more Shareholders holding Shares with voting rights are suspended or waived, such Shareholders shall be convened and may attend the general meeting but their Shares shall not be taken into account for determining whether the quorum and majority requirements are satisfied.

### 12.3. 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 Company 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 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 Company and its Sub-Funds and are beneficial or at least not detrimental to the interests of the Shareholders of the Company, any Sub-Fund or any Class, as the case may be, as determined by the Board at its sole but reasonable discretion. 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 Company without the consent of the Shareholders if such amendment is intended but not limited to:

- (a) to acknowledge the change of the name of the Company and/or to change the name of any Sub-Fund;
- (b) to acknowledge any change of the Depositary, domiciliary, Administrative Agent or the Approved Statutory Auditor;
- (c) to implement any amendment of the law and/or regulations applicable to the Company, the AIFM and their respective affiliates;
- (d) as the Board 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 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 reflect 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 Company; and
- (g) to reflect the creation of additional Sub-Funds within the Company or Class within a Sub-Fund.

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

- (i) in an open-ended Sub-Fund, provided that there is sufficient liquidity, all Shareholders of such Sub-Fund, or of the relevant Class in cases where such amendments are only applicable to one or certain Class(es), have been offered a cost-free redemption of their Shares within a one (1) month period from the sending of such notice. 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 shall seek a prior approval of such amendments by a decision of the general meeting of Shareholders taken in writing or at a general meeting as the Board shall determine on a case-by-case basis and such decision shall be passed with at least 50% of the votes attached to all Shares issued by the Company (or where applicable, in the relevant Sub-Fund or Class) and validly casting a vote.

If the laws and regulations applicable to the Company or having an impact on the Company's operation change (either at Luxembourg level, European level or any other level as may impact the activity of the Company and such changes require compulsory amendment to the structure of the Company or its operations, then the Board shall be authorized to amend any provision of this Prospectus. In such case, and provided that such compulsory amendment to the structure or the operations of the Company does not require the involvement of the general meeting of Shareholders of the Company 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.

#### **12.4. Risk management policy**

The AIFM has put in place a risk management policy, dealing among others with the liquidity risk management that will be available at its registered office.

#### **12.5. Fair and preferential treatment**

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 Company or the AIFM will be made available at the registered office of the Company within the limits required by the AIFM Law and the AIFM Directive.

#### **12.6. Conflicts of interest**

Where organisational arrangements made by the Company 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 Company 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 Company, they acknowledge and consent that the information to be disclosed as per the above is provided at the registered office of the Company and that this information will not be addressed personally to them.

The AIFM has put in place a conflict of interest policy that will be available at its registered office.

#### **12.7. Historical performances**

If any Company's historical performance is required to be produced by the AIFM with respect to the Company it will be made available at the registered office of the Company or by any other mean in accordance with Section 12.14 below.

#### **12.8. Personal Data Protection**

**Data Subjects, Controllers and Data** – The Company (the "Controller") process information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the "Data Subjects". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controllers directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "Data".

**The Privacy Notice** – Detailed and up-to-date information regarding the processing of Data by the Controllers is contained in a privacy notice (the "Privacy Notice"). Investors and any persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers or their service providers in relation to the Company are invited to obtain and take the time to carefully consider and read the Privacy Notice.

**Obtaining and accessing the Privacy Notice** – The Privacy Notice is available and can be accessed or obtained online ([www.isec.com/legal-structure-and-information](http://www.isec.com/legal-structure-and-information)), by calling +46 8 509 313 00, or upon request addressed to [support@isec.com](mailto:support@isec.com) or to write to ISEC Services, Vattugatan 17, 111 52 Stockholm, Sweden for the attention of GDPR Officer..

**Content of the Privacy Notice** – The Privacy Notice notably sets out and describes in more detail:

- the legal basis for processing the Data; and where applicable the categories of Data processed, from which source the Data originate, and the existence of automated decision-making, including profiling (if any);
- that Data will be disclosed to several categories of recipients; that certain of these recipients (the "Processors") are processing the Data on behalf of the Controllers; that the Processors include most of the service providers of the Controllers; and that the Processors will act as processors on behalf of the Controllers and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controllers and the Processors for several purposes (the "Purposes") and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the Company, (ii) enabling the Controllers and the Processors to perform their services for the Company, and (iii) enabling the Controllers and the Processors to comply with legal, regulatory and/or tax obligations (including AML/CFT, FATCA and CRS obligations);
- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controllers and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Company;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted

or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

**Commitment, liability and indemnity** – All persons contacting, or otherwise dealing directly or indirectly with, any of the Controllers or their service providers in relation to the Company, will likely be requested to formally acknowledge, agree, accept, represent, warrant and/or undertake (among other and where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controllers; that they may be notified of any change to or update of the Privacy Notice by any means that the Controllers deem appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controllers any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controllers; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controller of the Data as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will continue this change or update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controllers harmless from and against adverse consequences arising from any breach of the foregoing.]

**Further questions and enquiry** – Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to [gdpr@isec.com](mailto:gdpr@isec.com) for the attention of the GDPR Officer, or by calling +46 8 509 313 00.

## **12.9. Securities Financing Transactions**

If the Company or any of its Sub-Funds uses securities financing transactions as defined in Regulation (EU) 2015/2365 on transparency of securities financing transaction and of reuse and amending Regulation (EU) No 648/2012 (the "**SFT Regulation**") all the information required by the SFT Regulation will be available at the registered office of the AIFM.

## **12.10. Liquidation of the Company – Liquidation or Amalgamation of Sub-Funds**

### **12.10.1 Liquidation of the Company**

The Company has been established for an unlimited period. However, the Company may, at any time, be liquidated by a resolution of the general meeting of Shareholders taken in the same conditions that are required by law to amend the Articles. The Board may propose at any time to the Shareholders to liquidate the Company.

Any decision to liquidate the Company will be published in the RESA.

As soon as the decision to liquidate the Company is taken, the issue, redemption or conversion of Shares in all Sub-Funds is prohibited and shall be deemed void.

The liquidation of the Company will be conducted by one or more liquidators, who may be individuals or legal entities and who will be appointed by a meeting of Shareholders. This meeting will determine their powers and compensation.

Any liquidation of the Company shall be carried out in accordance with the provisions of the Regulations which specify the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides upon finalisation of the liquidation that the assets be deposited in escrow with the *Caisse de Consignation* to be held

for the benefit of the relevant Shareholders. Amounts not claimed from escrow within the relevant prescription period will be liable to be forfeited in accordance with the provisions of the Regulations.

#### **12.10.2 Liquidation or Amalgamation of Sub-Funds**

The Sub-Funds may be established for a limited or unlimited period, as specified in the relevant Annex.

If the net assets of any Sub-Fund or Class fall below or do not reach an amount determined by the Board at its discretion, to be the minimum level for such Sub-Fund or such Class to be operated in an economically efficient manner or if a change in the economic, monetary or political situation relating to the Sub-Fund or Class concerned justifies it or in order to proceed to an economic rationalisation, the Board has the discretionary power to liquidate such Sub-Fund or Class by compulsory redemption of Shares of such Sub-Fund or Class at the Net Asset Value per Share (but taking into account actual realisation prices of investments and realisation expenses). The decision to liquidate will be published by the Company prior to the effective date of the liquidation and the publication will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board decides otherwise in the interest of, or in order to ensure equal treatment of, the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charges (but taking into account actual realisation prices of investments and realisation expenses).

Notwithstanding the powers conferred to the Board by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund or Class may, upon proposal from the Board and with its approval, approve the redemption of all the Shares of such Sub-Fund or Class and decide to refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses). There shall be no quorum requirements for such a general meeting of Shareholders at which resolutions shall be adopted by simple majority of the votes cast.

Assets which could not be distributed to the relevant Shareholders upon the conclusion of the liquidation of a Sub-Fund or Class will be deposited with the *Caisse de Consignation* to be held for the benefit of the relevant Shareholders. Amounts not claimed will be forfeited in accordance with the Regulations.

Upon the circumstances provided for under the second paragraph of this Section 12.10.2, the Board may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Company or to another undertaking for collective investment ("**UCI**"), or to another sub-fund within such other UCI (the "**new Sub-Fund**") and to re-designate the Shares of the Sub-Fund concerned as Shares of the new Sub-Fund (following a split or consolidation, if necessary and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be notified to the Shareholders concerned (and, in addition, the notification will contain information in relation to the new Sub-Fund), at least one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period. After such period, the decision commits the entirety of Shareholders who have not used this possibility, provided however that, if the amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type ("*fonds commun de placement*") or a foreign based undertaking for collective investment, such decision shall be binding only on the Shareholders who are in favour of such amalgamation.

Notwithstanding the powers conferred to the Board by the preceding paragraph, a contribution of the assets and liabilities attributable to any Sub-Fund to another Sub-Fund of the Company to another UCI, or to another sub-fund within that UCI, may be decided upon by a general meeting of the Shareholders, upon proposal from the Board and with its approval, of the contributing Sub-Fund for which there shall be no quorum requirements and which shall decide upon such an amalgamation by resolution adopted by simple majority of the votes cast except when such amalgamation is to be implemented with a Luxembourg UCI of the contractual type ("*fonds commun de placement*") or a foreign based

UCI, in which case resolutions shall be binding only on the Shareholders of the contributing Sub-Fund who have voted in favour of such amalgamation.

### ***Resignation of the AIFM***

In case of voluntary withdrawal of the AIFM or of its removal by the Company, or in case where the AIFM no longer fulfils the conditions set forth in the Law or the AIFM Directive, or in case of insolvency of the AIFM, the Company or the AIFM (as the case may be) must take all necessary measures in order to replace the AIFM by another alternative investment fund manager which fulfils the conditions required by the Law and the AIFM Directive. If the AIFM has not been replaced within 2 months, the Company or the AIFM (as the case may be) shall, within 3 months following the withdrawal of the AIFM, request the District Court of Luxembourg dealing with commercial matters to pronounce the dissolution and liquidation of the Company in accordance with the provisions of the Law and the Company Law.

### ***Resignation of the Depositary***

In case of voluntary withdrawal of the Depositary or of its removal by the Company or the AIFM (as the case may be), or in case where the Depositary no longer fulfils the conditions set forth in the Law and the AIFM Law, or in case of insolvency of the Depositary, the Company or the AIFM (as the case may be) must take all necessary measures in order to replace the Depositary by another depositary which fulfils the conditions required by the Law and the AIFM Law. If the Depositary has not been replaced within 2 months, the Company or the AIFM (as the case may be) shall, within 3 months following the withdrawal of the Depositary, request the District Court of Luxembourg dealing with commercial matters to pronounce the dissolution and liquidation of the Company in accordance with the provisions of the Law and the Company Law.

## **12.11. Documentation available for inspection**

The following documents will be available for inspection during normal business hours at the offices of the AIFM:

- (a) Articles;
- (b) The alternative investment fund manager agreement between the AIFM and the Company;
- (c) The Depositary Bank and Paying Agent agreement between the AIFM, the Company and CACEIS Bank.;
- (d) The Investment Fund Services agreement including domiciliation services between the Company and CACEIS Bank.;
- (e) The Investment Management agreement between the AIFM and the Investment Manager; and
- (f) The latest annual report of the Company.

Further copies of this Prospectus and copies of the documents under (a) and (f) can be obtained at the same address free of charge.

## **12.12. Luxembourg register of beneficial owners**

The Luxembourg law of 13 January 2019 creating a register of beneficial owners (the "**RBO Law**") entered into force on 1 March 2019. The RBO Law requires all entities registered with the Registre de Commerce et des Sociétés of



Luxembourg, including the Company, to obtain and hold information on their beneficial owners ("**Beneficial Owners**") at their registered office. The Company must register Beneficial Owner-related information with the Luxembourg Register of Beneficial Owners, which is established under the authority of the Luxembourg Ministry of Justice.

The RBO Law broadly defines a Beneficial Owner as any natural person(s) who ultimately own(s) or control(s) the relevant entity through direct or indirect ownership of a sufficient percentage of the units or voting rights or ownership interest in the entity (as applicable) or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with EU law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A unitholding of 25% plus one unit or an ownership interest of more than 25% in the Company held by a natural person shall be an indication of direct ownership. A unitholding of 25% plus one unit or an ownership interest of more than 25% in the Company held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by a Shareholder with regard to the Company, this Shareholder is obliged by law to inform the Company in due course and to provide the required supporting documentation and information which is necessary for the Company to fulfill the Company's obligation under the RBO Law. Failure by the Company and the relevant Beneficial Owners to comply with their respective obligations deriving from the RBO Law will be subject to criminal fines. Should a Shareholder be unable to verify whether it qualifies as a Beneficial Owner, the Shareholder may approach the Company for clarification.

For both purposes, the following e-mail address may be used: [manco@isec.com](mailto:manco@isec.com).

#### **12.13. Transfer of data by the Depositary and the Administrative Agent**

The UCI Administrator of the Fund is CACEIS Bank, Luxembourg Branch, with its registered office at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310. CACEIS Bank, Luxembourg Branch may outsource, for the performance of its activities, IT and operational functions related to its activities as UCI administrator, in particular as registrar and transfer agent activities including shareholders and investor services, with other entities of the group CACEIS, located in Europe or in third countries, and notably in United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the outsourcing provider data related to the investor, such as name, address, date and place of birth, nationality, domicile, tax number, identity document number (in case of legal entities: name, date of creation, head office, legal form, registration numbers on the company register and/or with the tax authorities and persons related to the legal entity such as investors, economic beneficiaries and representatives), etc.. In accordance with Luxembourg law, CACEIS Bank, Luxembourg Branch has to disclose a certain level of information regarding the outsourced activities to the Company, which will communicate these information to the investors. The Company will communicate to the investors any material changes to the information disclosed in this paragraph prior to their implementation.

The list of countries where the group CACEIS is located is available on the Internet site [www.caceis.com](http://www.caceis.com). We draw your attention to the fact that this list could change over time.

#### **12.14. Shareholders' information**

Audited annual report will be made available to the Shareholders at no cost to them at the offices of the Company, AIFM and / or the Depositary.

Any other financial information to be published concerning the Company or its Sub-Funds, including the historical performance of the Company or its Sub-Funds, the daily Net Asset Value, the issue and repurchase price of the Shares of the Sub-Funds and any suspension of such valuation, will be made available to the public at the offices of the Company, the AIFM and / or the Depositary.

All notices to Shareholders will be sent to Shareholders at their address indicated in the register of Shareholders and, to the extent required by the Luxembourg law, will be published in the RESA.

No preferential treatment shall be granted to any individual Shareholder. Shareholders' rights are those described in this Prospectus and the Articles.

As required by the AIFM Law, and to the extent not disclosed in this Prospectus, the following information shall be periodically provided to Shareholders by means of disclosure in the annual reports of the Company or any other mean permitted under this Prospectus and, if the materiality so justifies, notified to the Shareholders:

- the percentage of the Sub-Funds assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Sub-Funds;
- any change to the risk profile of the Company or any Sub-Fund and the risk management systems employed by the AIFM to manage those risks;
- (i) the maximum level of leverage, (ii) any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company in respect of its Sub-Funds, (iii) the circumstances in which the Company or the Sub-Funds may use leverage and any restrictions on the use of leverage and (iv) the types and sources of leverage permitted and associated risks;
- any right of the reuse of collateral or any guarantee granted under any leveraging arrangement;
- the total amount of leverage employed by each Sub-Fund.

As required by Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector and implementing legislation, and to the extent not disclosed in this Prospectus, all relevant information shall be periodically made available to Shareholders by 10 March 2021 by means of disclosure in the annual report of the Company or the AIFM's website.

#### **12.15. Queries and Complaints**

Any person who would like to receive further information regarding the Company including the strategy followed for the exercise of voting rights of the Company, the conflict of interest policy, the best execution policy and the complaints handling policy or who wishes to make a complaint about the operations of the Company should contact the Complaint Manager Ms Helena Unander-Scharin. The details of the complaints handling policy of the AIFM are available at [www.isec.com/complaints](http://www.isec.com/complaints).

#### **12.16. Applicable Law and Jurisdiction**

By applying for Shares, the relevant Investor agrees to be bound by the terms and conditions of the Subscription Form, the Prospectus and the Articles. This contractual relationship is governed by Luxembourg laws. The Shareholders will be subject to the exclusive jurisdiction of the courts of Luxembourg to settle any dispute or claim arising out of or in connection with a Shareholder's investment in the Company or any related matter.

According to Regulation (EU) 1215/2012 of 12 December 2012 of the European Parliament and of the Council on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, a judgment given in a Member State shall, if enforceable in that Member State, in principle (a few exceptions are provided for in Regulation (EU) 1215/2012) be recognised in the other Member State without any special procedure being required and shall be enforceable in the other Member States without any declaration of enforceability being required.

## **PART II: SUB-FUNDS SPECIFICATIONS**

Information contained in this part of the Prospectus should be read in conjunction with the full text of the Part I. In case of discrepancy between Part I and Part II, Part II will prevail with respect to the relevant Sub-Fund.

**ANNEX I**  
**ISEC SICAV - RAIF – Nordic Factoring Fund Lux**

**I. The Sub-Fund**

**ISEC SICAV - RAIF – Nordic Factoring Fund Lux** (the "**Sub-Fund**") is an open-ended sub-fund of the Company set up for an undetermined period of time.

**II. Main Investment Objective of the Sub-Fund**

The Sub-Fund qualifies as a feeder fund within the meaning of the AIFM Law and shall have all times an exposure of at least 85% of its assets to **Nordic Factoring Fund AB**, an investment fund incorporated and organised under the laws of Sweden and qualifying as an alternative investment fund incorporated under the laws of Sweden (the "**Master Fund**") and being managed by Finserve Nordic AB.

The principal terms of the Master Fund are reproduced under Section III "Key terms of the Master Fund" hereafter.

The Sub-Fund allows its investors, qualifying as Well Informed Investors, to invest indirectly into Master Fund in order to gain exposure to the debenture (the "Debenture") issued by the Master Fund as further summarized in Section III "Key terms of the Master Fund" hereafter

Further information on the Master Fund's investment policy and strategy, including information on the Debentures and the credit process/policy can be found in the disclosure document issued by the Master Fund Information Brochure - Nordic Factoring Fund AB (publ) and online on the following website [www.finserve.se](http://www.finserve.se).

The remaining proportion of assets of the Sub-Fund may be held in cash.  
Financial derivative instruments will only be used for hedging purpose.

The Sub-Fund will not use leverage and will not enter into borrowing arrangements.

**III. Key terms of the Master Fund**

**a) Master Fund Investing Strategy**

The Master Fund's strategy is to find investment opportunities through the granting of loans or other loan operations (hereafter referred to as "Lending"). Possible lenders (the "Lenders") are, for example, companies that are in some form of expansion, investment, restructuring, refinancing bridge financing, generational shift financing or with seasonal needs. The Master Fund's potential Lenders are primarily found in Scandinavia as well as Finland.

Loans which are granted are normally secured by a mortgage, guarantee or other form of security interest. In special cases, unsecured loans may be made. The Master Fund always conducts a careful assessment of the borrower (the "Borrower") and any pledged security and mortgage. The Master Fund seeks Borrowers with a documented history of operating income, cash flow or events that may lead to positive cash flow as well as a repayment capacity and security for the loans.

The investment strategy is to have at least 50 per cent of the Portfolio (as defined hereafter) invested in Lending. The term for the loan agreements is up to 4 years. The total risk thus depends on the Borrowers' profiles and other

investments made by the Master Fund. The Master Fund applies risk diversification to its portfolio composition, directly or indirectly by way of an underlying security interest.

Borrowers are evaluated and then approved by an investment committee following a systematic credit process (the "Credit Process"). The Master Fund's yield depends, among other things, on the level of lending in the Portfolio and may vary over time. The Master Fund strives to systematically engage with Borrowers whose expected return is positive in relation to the credit risk that the commitment entails. These individual commitments are weighed against each other in order to achieve an efficiently balanced credit risk for the Master Fund as a whole. Borrowers' business operations have a low correlation with other markets, and, furthermore, it is possible to take derivative positions with exposure to the Borrowers.

#### **b) Master Fund sustainability factors and sustainability risks**

The Master Fund's managers consider sustainability risks in credit assessments, management decisions and day-to-day management. Sustainability risks are defined as environmental, social, or corporate governance-related circumstances that could have a significant negative impact on the value of the investment. Sustainability factors are defined as environmental, social and personnel issues, respect for human rights and the fight against corruption and bribery. The Master Fund follows the AIFM Finserve Nordic's policy for responsible investment and excludes companies involved in products and services in controversial weapons such as cluster munitions, anti-personnel landmines, nuclear weapons, biological weapons, chemical weapons, tobacco, pornography, coal, or uranium mining. The Master Fund also excludes companies that violate international conventions and are subject to international sanctions.

Sustainability risks are managed partly by integrating sustainability risks with duality in the investment decisions that are caused by careful assessment of each investment object. The Master Fund has appointed a sustainability manager who participates in the assessment of sustainability risks in the Master Fund's management. The portfolio manager and sustainability manager ensure that the Master Fund complies with the AIF manager's policy and strives to ensure that the Master Fund does not receive exposure and sustainability risks that could lead to a significant negative impact on the value of the investment.

The Master Fund's overall sustainability risk is assessed as low, and thus has a limited impact on the Master Fund's return.

The Master Fund does not consider the negative consequences of investment decisions for sustainability factors. However, in 2023, the Master Fund intends, in light of increased clarity regarding detailed regulatory requirements, to comply with the obligations imposed on funds whose investment decisions' main negative consequences for sustainability factors are considered in the fund management. Sustainability factors are defined as environmental, social, and personnel-related issues, respect for human rights and the fight against corruption and bribery.

#### **c) Master Fund Admissible Assets**

The Master Fund's portfolio (the "Portfolio") may consist of the following assets:

- (i) invoices and other entitlements;
- (ii) credit claims (direct lending in accordance with the Fund's Credit Policy);
- (lii) Fund units,
- (iv) interest rate and credit-related derivatives;
- (v) shares and share-related derivatives;
- (vi) interest-bearing instruments such as bonds;
- (vii) currency and currency-related derivatives; and
- (viii) bank deposits.

The manager of the Master Fund has the right to create leverage in the Portfolio not only on the basis of the above derivative instruments, but also by way of loans and the lending of securities, as described in more detail in the section below regarding 'Derivative Instruments and Leverage'.

#### **d) Master Fund Derivative Instruments and Leverage**

The Master Fund has greater latitude than traditional funds and special funds regarding placement rules including the possibility of using derivative instruments (the "Derivatives"). The purpose of using such Derivatives is to provide exposure to certain assets and/or markets with less capital investment, thus freeing up capital for other investments. Derivatives can create leverage in the Portfolio's market exposure in order to provide benefit to the manager of the Master Fund's (the "Master Fund Manager") faith in the market at that time, and to more effectively expose the Master Fund's Portfolio to the direct market risks the Master Fund wishes to have. Derivatives can also be used for hedging to reduce the risk in the Portfolio. The Master Fund may invest in currency derivatives to reduce any currency risks in the Portfolio, or tighten predictability for interest payments by investing in interest rate derivatives. By using derivative instruments, the return on the Debenture can be positively or negatively affected, and the risk can increase or decrease.

The Master Fund may use loans and derivative instruments to create leverage. Leverage implies that exposure may be greater than if the underlying exposure had been fully funded with the Fund's own resources.

The Master Fund may use unsecured cash loans, secured cash loans, convertible loans, securities loans, options, repurchases and CFD contracts. The Master Fund will primarily trade in Derivatives that are cleared at a clearing house, such as Nasdaq or Euroclear. As regards trading in cleared derivatives, the Master Fund places marginal security against the clearing house. If such Derivatives are not available, the Master Fund may in some cases trade derivatives that are not cleared (OTC, or "over the counter"). In such cases, the Master Fund provides security directly to the counterparty in the transaction. In such cases, the Master Fund and the counterparty enter into an agreement (ISDA or the equivalent) prior to the derivative transaction being executed.

For example, a mortgage facility can be utilized to bridge liquidity in the execution of a loan transaction. The Master Fund can further create leverage by creating a SPV (Special Purpose Vehicle), or alternatively create synthetic investments by way of credit derivatives thereby increasing the returns. When the Master Fund operates with leverage, the aggregate credit risk and the market risk in the Portfolio increase. Derivatives may be used both for the purpose of increasing or decreasing the Master Fund's sensitivity to market movements, for example to protect the Portfolio against potential credit losses or a general decline in credit markets in particular. Thus, derivative instruments can be used as a step in the direction of placement and to make the management of the Master Fund more effective.

Leverage is calculated according to Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012, and is stated as the ratio of the Master Fund's exposure to the Master Fund's net asset value. The Master Fund's leverage may not exceed 100 per cent according to the gross method.

More information of the Master fund, Nordic Factoring Fund can be found at:

<https://finserve.se/fonder/kredit-rantefonder/nordic-factoring-fund/>

#### **e) The main legal consequences of an investment in the Master Fund**

The rights arising from the Debenture include repayment of the Debenture's principal amount and the Interest that has accrued. The Master Fund's capacity to meet the obligation to repay the Debenture and Interest depends on the value of the Portfolio from time to time. Interest is based on the return from the Portfolio. The assets included in the Portfolio are defined in the General Terms and Conditions of the Debenture and available at [www.finserve.se](http://www.finserve.se).

The Master Fund's obligations (including in relation to the Debenture, which includes the payment of Interest and repayment of the loan) constitute direct, contingent, unsecured and non-subordinated obligations for the Fund and are deemed in preferential legal terms to be equal.

The Debenture is not secured. In the event of insolvency or bankruptcy, the Debenture will be treated *pari passu* with other non-subordinated and unsecured claims. Therefore, in the event of a bankruptcy, there may be secured receivables that are entitled to priority payment before that of the Investors.

The rights that result from the securities in the offer do not otherwise contain any preference rankings nor restrictions. Holders of the Debenture have no voting rights at the Master Fund's annual general meeting (AGM).

## **f. Valuation**

The AIFM of the Master Fund has established guidelines for valuation and appointed an independent valuation function for the Master Fund. The task of the valuation function is to ensure that the Master Fund's assets are valued correctly in an independent manner. Valuation principles are further stated in the General Terms and Conditions.

The Portfolio should be valued as of the last Banking Day of each calendar month on the first business day the following month. Once the Portfolio has been evaluated, a NAV rate will be set. The NAV rate is the total Net Asset Value being managed, i.e. the value of the Portfolio. The difference between the previous calendar month's NAV rate and the current calendar month's NAV rate is in effect the result for that calendar month. Deductions for Allowable Costs (as defined hereafter) must be made, and then the NAV rate is calculated for the Debenture.

Information on historical performance, track record and volatility is provided in regular reports to Investors. The information is also available on the Fund's website, [www.finserve.se](http://www.finserve.se).

## **g. Liquidity Risk at the level of the Master Fund**

Liquidity risk for a company is the risk that the company will not be able to meet its payment obligations by the due date, i.e. the Master Fund lacks cash to pay, for example, invoices or redemption amounts to Investors on time. The risk arises by dint of the fact that the Master Fund is financed by issuing the Debenture, which entails payment obligations towards the Investors. The risk may increase if the Master Fund finds it difficult to raise capital.

Liquidity risk may also arise in the Master Fund's Portfolio if the assets of the Master Fund has invested in would be difficult to sell, or if the Master Fund will find it difficult to liquidate the Portfolio, or if it takes longer than expected to liquidate positions and sell investments.

Liquidity risk for a bond implies that the bond cannot be sold prior to maturity. Under normal market conditions, the market maker offers a purchase price for those who wish to sell early. Although bonds in the form of a Debenture have become more established in recent times, the secondary market is still limited. Therefore, there is a risk that the liquidity in the Debenture is low, and that they are traded at a price below the issue price. Sometimes it can be difficult or impossible to sell the Debenture during the term and it is then deemed illiquid. This can occur, for example, in the event of significant market movements, liquidity changes, regulation changes, hedging of positions, market disruptions, communication interruptions or other events that may cause difficulties in trading at reasonable prices or due to the closure of the affected market place, or that trading is subject to restrictions for a certain period of time.

## **h) Fees and expenses at the Level of the Master Fund**

### **1. General**

Certain costs incurred by the Master Fund in connection with the Debenture will be charged to the Portfolio. The fees and expenses that may be charged to the Master Fund and thus the Portfolio ("**Allowable Costs**") are described below. No costs other than those that are Allowable Costs can be charged to the Master Fund.

### **2. Fund Management Fees**

The Master Fund's total fixed remuneration (Management Fees) may not exceed 1.6 percent of the Portfolio's value, calculated as of the last Banking Day of each calendar month. The fixed remuneration is payable out of the Portfolio and thus affects the return of the Master Fund. Remuneration is taken out of the Portfolio monthly in arrears. The Master Fund is responsible for taxes and charges, which are included in the Management Fees.

### **3. Performance-based remuneration**

Performance-based remuneration is paid at 20 percent of the total return on the Portfolio that exceeds the minimum interest rate. The minimum Interest, for the current period is the average three-month government debt, SSVX3M, at a minimum of zero percent (the "Minimum Interest Rate") This remuneration is calculated monthly and is taken out of the Portfolio at the end of each calendar month. The variable remuneration is deducted after the deduction of the Management fees and Allowable Costs. The performance-based remuneration shall be calculated in accordance with the High Watermark principle and after deduction of the Minimum Interest Rate. The Minimum Interest Rate must



never be lower than zero percent, even in the event that the reference rate is negative: the so-called "negative interest rate".

The remaining 80 percent shall accrue to the Investors as Interest and remain in the Portfolio. Investors thus undertake to reinvest Interest and no cash payment will be made. Performance-based remuneration shall accrue to the Finserve Holding AB (the "Owner") as Net Profit and is to be promptly separated from the Portfolio upon calculation. The Net Profit is the profit that accrues to the Owner, from the date the profit is separated from the Portfolio (performance-based remuneration). Thereafter, the performance-based remuneration shall no longer form part of the Portfolio. Thus, any return on such an amount will accrue solely to the Owner.

No compensation is provided in the event that Investors request the redemption of the Debenture that has an accumulated return or sub-return. In such cases, the redemption rules apply to the calculation.

The Master Fund applies the so-called High Watermark principle. This implies that performance-based remuneration may only be paid once a possible under-return in relation to the return threshold from the previous period has been recovered. For example, if the value per Debenture, i.e. the Master Fund's NAV rate per share, rises from 100 to 120 and then falls back to 110, the performance-based remuneration may not be charged until the Fund's NAV rate again exceeds 120 plus the risk-free interest rate, the Minimum Interest Rate, the so-called return threshold. This principle protects Investors by preventing performance-based remuneration from being taken out in sporadic months. The High Watermark is reset within the first month of each calendar year.

#### 4. Interest

The return and value of the Debenture is dependent on the Master Fund's result regarding the Portfolio management. The Master Fund aims to achieve a 6-8 percent annual return to the unit holders of the Debenture. Therefore, the Interest payable is not a fixed interest rate but depends on the returns that the Issuer generates, and thus on the assets that are in the Master Fund's Portfolio. When the Master Fund lends capital, these assets constitute Credit Receivables, but the Master Fund may also have other assets. The Master Fund is an alternative investment fund that has a more flexible investment focus than traditional mutual funds or special funds, and it is an actively managed fund that does not follow any index. The Master Fund can have different types of assets in the Portfolio, and as a result Investors are invited to take note of the Master Fund's Credit Policy, information on permitted assets as well as on investment strategy, and how the Master Fund places capital in the Portfolio. This provides Investors with a complete picture of the risks involved in investing in the Profit Participating Loan.

The return on the funds received by way of the offer that constitutes the Portfolio, and which is received by the Master Fund during an Interest Period, shall be distributed between the Owner and the Investors. What accrues to Investors shall constitute Interest on an Investor's invested capital ("Interest") and is calculated as set out below.

The interest rate which the Investors are entitled to is distributed equally based on the number of Debentures held by each Investor. The interest is paid to the Investors by issuing additional Debentures on the Interest Maturity Date. Each holder thus undertakes to reinvest the Interest in their additional Debentures. Payment of Interest shall be made to the person who is the Creditor on the Record Date i.e. on the fifth Banking Day before each Interest Maturity Date.

The Interest Maturity Date occurs after the end of each calendar year, and the corresponding date of the fifteenth (15th) banking day after each Interest Period. The repayment date will be the final date for the last Interest Period.

#### 5. Allowable Costs

In addition to the Management Fees, the following are allowable costs (the "Allowable Costs"). All these costs will be borne by the Portfolio and thus affect the return of the Master Fund. However, as stated in (iii), this does not apply to taxes regarding the Management Fees and the Owners' profits.

- (i) fees for legal costs and auditors, consulting fees, fees to the Board of Directors and the CEO, and any other fees attributable to the Debenture and the Fund's operations;
- (ii) custody and management fees, evaluation costs, listing costs and costs incurred in conjunction with the issue;

- (iii) all taxes and charges imposed on the Fund with regard to the Debenture and the Portfolio, except for taxes appertaining to the Management Fees as well as taxes regarding the Owners' profits for which the AIF Manager and the Owners are respectively responsible;
- (iv) costs for permit applications, fees to the Swedish Tax Agency and similar fees;
- (v) other costs and fees associated with the Debenture which are reasonable, including but not limited to, charges and fees for banking services, costs associated with credit referred to in Derivative Instruments and Leverage, depositories, mediation, registration, "finder's fee", deposits;
- (vi) transaction costs e.g. the commission paid by the Fund for transactions with financial instruments;
- (vii) credit insurance costs; and
- (viii) liquidation costs.

#### **i) AIFM of the Master Fund**

The Master Fund is managed by Finserve Nordic AB (the "AIFM"), org. no. 556695-9499, with a share capital of 1 500 000 SEK. The AIFM is a Swedish limited liability company that is under the supervision of the Swedish Financial Supervisory Authority (SW: Finansinspektionen). All members of the Board and the CEO of the AIFM have therefore been vetted and approved by the Swedish Financial Supervisory Authority.

The AIFM also manages the following funds:

- Being and Investment Active Value Fund
- Exelity AB (publ)
- Finserve Micro Cap Fund
- Finserve Global Security Fund
- GP Bullhound Thyra Hedge;
- GP Bullhound Global Technology Fund;
- Meriti Ekorren Global
- Meriti Natural
- Meriti Momentum
- Nordic Factoring Fund AB (publ);
- Scandinavian Credit Fund I AB (publ);
- The Single Malt Fund AB (publ)
- ORCA Hedge

The AIFM was formed on 5th December, 2005 and its address is at Riddargatan 30, 114 56 Stockholm.

Tel: +46 707 15 42 5

Email: [info@finserve.se](mailto:info@finserve.se)

Website: [www.finserve.se](http://www.finserve.se)

#### **j) Auditor of the Master Fund**

PricewaterhouseCoopers has been appointed as statutory audit of the Master Fund.

### **IV. Terms of subscription, conversion, redemption and distribution of the Sub-Fund**

#### **1. Classes of Shares of the Sub-Fund**

At the date of this Prospectus, the following Class(es) of Shares are available for subscription:

- Nordic Factoring Fund Lux, Class A, Euro, capitalisation.

The Board may, at any time, decide to issue other Classes of Shares with or without voting rights. In that case, this Annex

will be amended accordingly.

The Board may also, within each existing Class, decide to issue one or more Sub-Classes, which may differ by different features such as their reference currency. The creation of an additional Sub-Class, only differing from the others by its currency or its dividend policy, will not require a change to this Annex. A list of all available Sub-Classes may be obtained at the registered office of the Company. Each of such Sub-Class (if any) will have to belong to a Class with no voting rights.

In addition to the above-mentioned Class(es), the Board may, at any time, decide to issue other Classes and Sub-Classes. In that case, this Annex will be amended accordingly.

## **2. Subscription for Shares**

Shares of the Sub-Fund may be subscribed on the last Business Day of each month except the month of December (each a "**Subscription Day**") at an offering price equal to the Net Asset Value per Share calculated on the applicable Valuation Day of the relevant Class.

Applications for the subscription of Shares must be received by the Administrative Agent by no later than 23:59 in Luxembourg time at least seven (7) Business Days preceding the relevant Subscription Day. Any application for the purchase of Shares received after the applicable deadline will be processed with respect to the next applicable Subscription Day.

Payment of the subscription price will be made in EUR and received in cleared funds by the Depositary at least seven (7) Business Days preceding the relevant Subscription Day.

The Company reserves the rights to refuse any order to subscribe for Shares in whole or in part and may cancel any order for which a properly completed application form, applicable AML/KYC documentation and payment as described above is not timely received. Subscription monies will be returned without undue delay and without interest should the subscription be rejected by the Board of its duly appointed agent.

## **3. Minimum subscription**

The minimum initial subscription amount per Investor is EUR 125 000. There will be no minimum subscription amount for subsequent subscriptions.

The application shall be made for a monetary amount.

## **4. Redemption of Shares**

Shareholders may request the redemption of their Shares on the last Business Day of each quarter (a "Redemption Day"). The request for redemption must be received no later than ninety (90) calendar days before the applicable Redemption Day. Any request for redemption not falling on a Business Day will be dealt with on the immediately preceding Business Day. A request for redemption will only be accepted if approved by Board of the Master Fund and will be subject to the conditions set forth hereafter.

Application for redemption must be received by the Administrative Agent no later than 23:59 in Luxembourg time for the relevant Redemption Day or such other period as the Company may determine from time to time, ninety (90)

calendar days preceding the relevant Redemption Day. Any redemption request received after the applicable deadline will be processed with respect to the next applicable Redemption Day.

The payment of the redemption price for the Shares of the Sub-Fund will be made no later than fifteen (15) Business Days after the applicable Redemption Day, provided that the Sub-Fund has sufficient liquidity to handle the Investor's redemption request under normal circumstances.

The Sub-Fund's liquidity, under normal circumstance amounts to 1%–6% of its portfolio. If the Sub-Fund lacks sufficient liquid assets, the necessary liquidity for the payment of the redemption proceeds must be obtained by divesting parts of the Portfolio. If such divestment due to prevailing market conditions or according to the Fund's assessment would significantly disadvantage the non-redeeming Shareholders, the Sub-Fund may delay such divestment and the payment of the relevant redemption proceeds until such divestment can take place in the best interest of all the Shareholders.

As and when sufficient liquidity is available, the redeeming Shareholders shall be paid as follows:

- (a) on a pro rata basis of the total amount available for redemption;
- (b) in priority to the redemption requests received on a later Redemption Day than the Redemption Day applicable to the relevant Shareholder; and
- (c) in each case until the redemption proceeds of that particular redeeming Shareholder have been fully paid.

In the case of a deferral of the payment of the redemption proceeds as aforesaid, the redemption price shall be based on the Net Asset Value calculated at the time the redemption price is finally paid.

For further information about market disturbances and market interruptions please refer to section 10 of the General Terms and Conditions of the Master Fund.

## **5. Conversion of Shares**

Shareholders of the Sub-Fund are not allowed to ask for some or all of their Shares to be converted into Shares of another Sub-Fund or within the Sub-Fund for different Class(es).

## **V. Reference currency of the Sub-Fund**

The reference currency of the Sub-Fund is EUR.

## **VI. Investment Manager**

The AIFM has delegated the portfolio management function with respect to the Sub-Fund to Finserve Nordic AB, a Swedish limited liability company under the supervision of the SFSA and having its registered office at Riddargatan 30, 114 56 Stockholm, Sweden (the "**Investment Manager**").

## VII. Fees and expenses

<b>Class of Shares</b>	Nordic Factoring Fund Lux, Class A
<b>AIFM Fee</b>	MEUR 0 – 10: 0,05 % MEUR 10 – 100: 0,04 % MEUR 100 – 1000: 0,035 %  Minimum fixed fee 42 500 Euro / Annum
<b>Investment Manager</b>	1,25 % fixed fee

## VIII. Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per Share will be determined on the last Business Day of each month and any other day or days as the Board may determine on a case-by-case basis or generally from time to time (the "**Valuation Day**").

The first Valuation Day will be set on 30<sup>th</sup> November 2022 or such other date as may be determined by the Board at its discretion.

It is expected that the Net Asset Value will, under normal circumstances, be calculated within ten (10) Business Days following the relevant Valuation Day.

## IX. Distribution

At the date of the present prospectus, the Sub-Fund only issues Class A Shares as capitalisation shares. Returns of capital and income received from the Master Fund will not be distributed to Shareholders holding capitalisation Class A Shares but will be reinvested in the Mater Fund. For avoidance of doubt, it should be noted that there will be no additional Shares issued to the Investor but the Net Asset Value per Share will increase instead.

## X. Marketing Agent

The AIFM has appointed the following distributors for the purpose of distributing the Shares of the Sub-Fund:

- Finserve Nordic AB

## XI. Sustainability disclosure

The AIFM and the Investment Manager integrate sustainability risks into their risk management processes.

The Sub-Fund qualifies as an Article 6 fund under of SFDR through its investment in the Master Fund qualifying itself as Article 6 fund under of SFDR.

Neither the Sub-Fund nor the Master promote environmental and/or social characteristics or consider principle adverse

impacts.

The investments at Master Fund level do not take into account the EU criteria for environmentally sustainable economic activities.

## **XII. Risk Disclosure / Important information**

There can be no assurance that the Sub-Fund may achieve its investment objective or avoid substantial losses. The investments associated with Sub-Fund's investments are subject to the following risks as more fully described under Section 4 "Risk Disclosure" of the Part I of this Prospectus:

### ***Reliance on the Master Fund***

The Sub-Fund may be primarily investing in the Master Fund (a fund in which the Sub-Fund invests at least 85% of its Net Asset Value). The Sub-Fund will not have an active role in the day-to-day management of the Master Fund in which the Sub-Fund invests. Moreover, the Sub-Fund will generally not have the opportunity to evaluate the specific investments made by the Master Fund before they are made. Accordingly, the returns of the Sub-Fund will primarily depend on the performance of the investment manager of the Master Fund and could be substantially adversely affected by the unfavourable performance of the investment manager. In addition, the Sub-Fund will rely on the calculation and publication of the net asset value of the Master Fund in the calculation of the Net Asset Value of the Sub-Fund. Accordingly, any delay, suspension or inaccuracy in the calculation of the net asset value of the Master Fund will directly impact on the calculation of the Net Asset Value of the Sub-Fund.

## PART II: SUB-FUNDS SPECIFICATIONS

Information contained in this part of the Prospectus should be read in conjunction with the full text of the Part I. In case of discrepancy between Part I and Part II, Part II will prevail with respect to the relevant Sub-Fund.

ANNEX II  
ISEC SICAV - RAIF – CABA Flex 2

**I. The Sub-Fund**

ISEC SICAV - RAIF – CABA Flex 2 (the "Sub-Fund") is an open-ended sub-fund of the Company

**II. Term of the Sub-Fund**

The Sub-Fund was set up for a determined period of time of three (3) years ending on the third anniversary of the end of the Initial Subscription Period. The Board may, with the approval of the AIFM and upon consulting the Investment Manager, extend the life of the Sub-Fund prior to its term for a period of maximum 2 years.

**III. Main Investment Objective and Policy of the Sub-Fund**

The Sub-Fund is a fixed income hedge Fund.

The Sub-Fund's principal investment objective is to seek to provide an attractive level of current income, consistent with prudent investment management and capital preservation.

To achieve its investment objective, the Sub-Fund will invest in a portfolio of mortgage credit bonds, secured by real estate, issued by private issuer located in Denmark, Norway and Sweden (the "Covered Bonds") and government bonds (hereafter together the "Bonds"). The Investment Manager will acquire and hold (long position) the Covered Bonds and for the purpose of hedging interest rate risks, short sell the government bonds and/or enter into interest rate swap transactions.

The Bonds in which the Sub-Fund will invest shall have a minimum rating or expected rating of AA from either S&P, Moody's, or another internationally recognised credit ratings agency at the time of investment and are required to have a term to maturity of less than 5.8 years at the time of investment. In principle, the Bonds are held for 3 years at which point the portfolio shall be liquidated. If considered advantageous and subject to the extension of the Sub-Fund's term as aforesaid in section II, no later than 3.5 years after the end of the Initial Subscription Period of the Sub-Fund, the positions may be held to maturity.

The Sub-Fund may use financial derivative instruments ("FDI") and securities lending transactions for the purpose of hedging and also for the purpose of efficient portfolio management as further described in section IV "Investment restrictions" below.

**There can be no assurance that the Sub-Fund will achieve its investment objective, and losses may be incurred.**

**IV. Investment restrictions applicable to the Sub-Fund**

The Sub-Fund may not invest more than 30% of its total assets under management (the "AUM") (excluding leverage) to subscribe securities of the same type issued by the same issuer.

***Short sales***

Short sales may not in principle result in the Sub-Fund holding a short position in securities of the same type issued by the same issuer representing more than 30% of its total AUM.



This restriction does not apply to investments in securities issued or guaranteed by an OECD Member State or its regional or local authorities or by EU, regional or global supranational institutions and bodies.

### ***Financial Derivative Instruments***

When using financial derivative instruments (whether dealt in on a regulated market or in over-the-counter ("OTC derivatives") and/or securities lending transactions as well as sale with right of repurchase transactions, repurchase and reverse repurchase agreement transactions (here after "Efficient Portfolio Management Techniques"), the Sub-Fund must ensure, via appropriate diversification of the underlying assets, a similar level of risk-spreading. Similarly, the counterparty risk in an OTC transaction shall be limited having regard to the quality and qualification of the counterparty. As the case may be, cash collateral received by each Sub-Fund in relation to any of these OTC transactions may be reinvested. The securities purchased through a reverse repurchase agreement transaction must conform to the Sub-Fund's investment policy and must, together with the other securities that the Sub-Fund holds in its portfolio, globally respect the Sub-Fund's investment restrictions.

### ***Leverage***

The Sub-Fund may use derivative instruments, as part of its investment strategy to create leverage in the Sub-Fund.

Leverage means that the Sub-Fund's risk exposure can be greater or less than if the underlying exposure had been fully financed by the Sub-Fund's own resources.

The Sub-Fund may use derivative instruments, including OTC derivatives, as part of its investment strategy to increase the return on the Sub-Fund's assets. The Sub-Fund may be leveraged up to 23 times using repurchase agreements in DKK, SEK, NOK, EUR and Danish, Swedish, and Norwegian bonds; provided that in the case of bonds, the leverage will be limited to 15 times at the moment of the establishment of the position.

The investment techniques/strategies that may be used by the Sub-Fund including, but not limited to, the following:

The Sub-Fund may trade and invest, both long and short, in a wide range of securities, cash, cash bonds, and related derivative instruments including, repurchase agreements and, reverse repurchase agreements, swaps, futures, FX spot, FX swaps, provided that all of the aforementioned instruments are cash-settled.

The Sub-Fund may enter into securities lending transactions and use repurchase agreements and reverse repurchase agreements to finance the investment strategy's leverage component.

FDIs may be used to hedge the Sub-Fund's portfolio against market risks, issuer default risk, currency exchange risk or other risk exposures. The Sub-Fund is entitled to hedge certain positions either through futures or on a selected basis through single short positions.

It is required that the Sub-Fund's exposure be calculated in accordance with the gross method (the "**Gross Method**") and the commitment method (the "**Commitment Method**"), as described in article 7 and article 8 of Regulation (EU) No 231/2013. The methods both use exposure as their valuation objective. In other words, to calculate exposure under the two methods, the FDI needs to be converted to the corresponding positions of their underlying assets (subject to the provisions set out in Annex II of the above mentioned Regulation).

The maximum allowable leverage is expressed as a percentage (%) of the Net Assets of the Sub-Fund.

The exposure of the Sub-Fund calculated in accordance with the Gross Method shall be the sum of the absolute value of all positions (23x short and 23x long in cash bond plus derivatives). The Sub-Fund's maximum allowable leverage under the Gross Method is 2.300% (only long positions).

The exposure of the Sub-Fund calculated in accordance with the Commitment Method shall be the sum of the absolute value of all positions. Contrary to the Gross Method, the calculation of exposure under the Commitment Method takes into account offsetting (netting) for positions whose sole purpose is to eliminate risks, such as foreign exchange hedging. The Sub-Fund's maximum allowable leverage under the Commitment Method is 2.300%.

The Sub-Fund will have a maximum gross exposure (including borrowing) of 4000 % of the Sub-Fund's Net Asset Value at the time of making investments with a net exposure between 0 % and 2000 % of the Sub-Fund's Net Asset Value. The Sub-Fund will review the composition of its portfolio regularly to ensure that it has not materially exceeded such restrictions since the time of investment.

The effective level of leverage of the Sub-Fund is available upon request of Investors at the registered office of the Fund or of the AIFM.

Since the Sub-Fund has the mandate to use leverage, the Sub-Fund's risk level may increase or decrease significantly and result in the Sub-Fund's unit value varying sharply as a result of market changes.

- *Hedging policy*

The Sub-Fund will hedge its interest rate risk by selling, among others, government bonds in local currencies and/or using swap transactions. The interest rate risk for the Sub-Fund may not exceed 10% of the Sub-Fund's AUM at any time. In other words, its AUM (excluding leverage) may decline by no more than 10% in the case of a 100-bp change.

The Fund's foreign exchange exposure in SEK and NOK shall be routinely hedged against DKK or EUR and the Sub-Fund's FX exposure may not exceed +/- 20% of the Fund's AUM (excluding leverage) in each currency. In addition, assets and liabilities must, in principle, be hedged in the same currency.

The Sub-Fund will review the composition of its portfolio regularly to ensure that it has not materially exceeded such restrictions since the time of investment.

**V. Terms of subscription, conversion, redemption and distribution of the Sub-Fund**

**1. Classes of Shares of the Sub-Fund**

The Shares of this Sub-Fund may be issued in more than one Class, and such Classes may be subject to different terms and conditions. At the date of the present Prospectus, the Shares of the Sub-Fund are available in the following Classes:

Share Class	Currency	Capitalisation/Distribution	Minimum initial investment
Class A	EUR	Capitalisation	EUR 100.000
Class B	DKK	Capitalisation	DKK equivalent of EUR 100,000
Class C	SEK	Capitalisation	SEK equivalent of EUR 100,000

The Board may also, within each existing Class, decide to issue one or more Sub-Classes, which may differ by different features such as their reference currency. The creation of an additional Sub-Class, only differing from the others by its currency or its dividend policy, will not require a change to this Annex. A list of all available Sub-Classes may be obtained

at the registered office of the Company. Each of such Sub-Class (if any) will have to belong to a Class with no voting rights.

In addition to the above-mentioned Class(es), the Board may, at any time, decide to issue other Classes and Sub-Classes. In that case, this Annex will be amended accordingly.

- *Class currency related costs*

Classes denominated in a currency other than EUR, the reference currency of the Sub-Fund, shall bear any costs relating to the exchange of the subscription price and/or redemption price received, respectively paid out, in the currency of the Class concerned, into or from the reference currency of the Sub-Fund as well as any costs relating to the calculation in the class currency of the Net Asset Value per Share of such Classes and any such other costs as may relate thereto. Furthermore, all costs and risk resulting from hedging transactions (if any) of a currency other than the reference currency will be supported by the Class concerned.

## **2. Profile of the typical Investor**

The Sub-Fund employs an investment strategy which is complex, involves numerous risks, and may employ leverage through the use of derivatives and therefore potentially lead to high levels of volatility in returns. The Sub-Fund is intended only for those investors who understand these strategies and associated risks, are more concerned with maximizing long-term returns than minimizing possible short term losses and can bear risk of losing a substantial part of their investment. An investment in the Sub-Fund is only suitable for investors who have knowledge of, and investment experience in, financial products that use complex derivatives and/or derivative strategies (such as the Sub-Fund) and financial markets generally. Investors must be aware that they may not recover their initial investments and should consider their long-term goals and financial needs when making an investment decision about this Sub-Fund.

The Shares of the Sub-Fund are exclusively reserved to Eligible Investors, as defined in the Prospectus.

- *Target market*

The list of markets in which the Sub-Fund seeks distribution of its Shares include Denmark, Sweden, Germany and Luxembourg.

## **3. Valuation Day**

Any Business Day in Luxembourg.

The Net Asset Value per Share of each Class as of the applicable Valuation Day will be available no later than on the Business Day immediately following the applicable Valuation Day.

## **4. Subscription for Shares**

During the Initial Offer Period which will begin on 11<sup>th</sup> June 2024 and end 2:00pm (Luxembourg time) on 13<sup>th</sup> June 2024 (or any other dates as may be determined by the board of Directors in its discretion) (the "Initial Subscription Period"), the Shares of the Sub-Fund will be issued at the initial subscription price of 100.00 EUR, or equivalent amount in DKK or SEK, respectively, of the relevant Class. Payment of the Shares subscribed during the Initial Subscription Period must have been received by the Depositary on 17<sup>th</sup> June 2024 at the latest. Following the Initial Subscription Period, Shares will be issued at their respective net asset value calculated on each Valuation Day.

Following the Initial Offer Period, Shares of the Sub-Fund may be subscribed on each Business Day which is a Valuation Day (each a "**Subscription Day**") at an offering price equal to the Net Asset Value per Share calculated on the applicable Valuation Day of the relevant Class.

Applications for the subscription of Shares must be received by [the Administrative Agent] by no later than 2:00pm (Luxembourg time) in Luxembourg on the relevant Subscription Day. Any application for the subscription of Shares received after 2:00pm (Luxembourg time) will be processed with respect to the next applicable Subscription Day.

Payment of the subscription price will be made in EUR, DKK or SEK respectively and received in cleared funds by the Depositary two (2) Business Days following the applicable Subscription Day.

The Company reserves the rights to refuse any order to subscribe for Shares in whole or in part, without having to give reasons thereof, and may cancel any order for which a properly completed application form, applicable AML/KYC documentation and payment as described above is not timely received. Subscription monies will be returned without undue delay and without interest should the subscription be rejected by the Board of its duly appointed agent.

#### **5. Minimum subscription**

The minimum initial subscription amount for each Class of Shares is referred to in the above table and there will be no minimum subscription amount for subsequent subscriptions.

The application shall be made for a monetary amount.

#### **6. Redemption of Shares**

Shareholders may request the redemption of their Shares on each Business Day (a "**Redemption Day**").

Shares will be redeemed on the Net Asset Value calculated as of each Valuation Day. Shareholders who wish to redeem part or all of their Shares of any Class must send a request for redemption to the Administrative Agent in Luxembourg.

For the purpose of accepting requests for redemption of Shares, all applications shall be deemed to be received at the time they are received by the Administrative Agent in Luxembourg.

Application for redemption will be accepted on any Redemption Day if received at the latest on or before 2:00p.m. (Luxembourg time) on the relevant Redemption Day. Applications for redemption received after such deadline will be dealt with on the next following Valuation Day.

Redemption proceeds, net of any applicable redemption charge (if any), will be paid no later than two (2) Business Days after the applicable Redemption Day. Shares redeemed shall be canceled on the Business Day following the applicable Redemption Day.

#### **7. Swing pricing**

The Sub-Fund may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Sub-Fund. This is known as "dilution".

Swing pricing aims to protect existing or remaining Shareholders of the Sub-Fund from the dilution's effects they may suffer as a result of subscriptions, redemptions and/or conversions of Shares in or out of the Sub-Fund.

If on any Valuation Day the net amount of subscriptions and redemptions of Shares in the relevant Sub-Fund (including those resulting from conversion orders) result in a net increase or decrease of the Net Asset Value of the Sub-Fund which exceeds a threshold (to be fixed by the Board and being a pre-determined level expressed as a percentage of the Sub-Fund's Net Asset Value ("**Swing Threshold**"), the Net Asset Value of the Sub-Fund will be adjusted, under normal market conditions, by an amount not exceeding 2% ) of that Net Asset Value (the "**Swing Factor**") which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. Under exceptional market conditions such as but not limited to high market volatility or the economic downturn due to terrorist attacks or war (or other hostilities), a pandemic or natural disaster (such as super-typhoon or hurricane) the maximum swing factor may be increased up to 5% to protect the interests of the Shareholders.

The Sub-Fund applies partial swing pricing meaning that the Net Asset Value is swung only when the net amount of subscriptions and redemptions of Shares in the Sub-Fund exceeds the Swing Threshold. The Swing Threshold is set at a level of net capital activity above which the dilution effects of adjusting the Sub-Fund's portfolio pursuant to this capital activity becomes significant according to the AIFM (taking into consideration the estimated costs for adjusting the Sub-Fund's portfolio). If the net amount of subscriptions and redemptions of Shares in the Sub-Fund results in a net-inflow (expressed in percentage of the Sub-Fund's Net Asset Value) into a Sub-Fund exceeding the applicable Swing Threshold, the Net Asset Value per share (applicable for the execution of subscription and redemption of Shares as of the corresponding Valuation Day) will be increased (in percentage) by the Swing Factor.

If the net amount of subscriptions and redemptions of Shares in the relevant Sub-Fund results in a net-outflow (expressed in percentage of the Sub-Fund's Net Asset Value) exceeding the applicable Swing Threshold, the Net Asset Value per share (applicable for the execution of subscription and redemption of Shares as of the corresponding Valuation Day) will be decreased (in percentage) by the Swing Factor.

Swing pricing is applied on the capital activity at the level of the Sub-Fund and does not address the specific circumstances of each individual investor transaction. The decision to swing is based on the overall net-flows into a Sub-Fund, not per Class. The swing pricing adjustments aims to protect the overall performance of the Sub-Fund, to the benefit of its existing or remaining Shareholders.

For avoidance of doubt, any performance fee will be charged on the basis of the unswung Net Asset Value.

## **8. Conversion of Shares**

Shareholders of the Sub-Fund are not allowed to convert some or all of their Shares into Shares of another Sub-Fund. Conversion of Shares from one Share Class to another Share Class is possible and will be dealt with on the basis of the provisions applicable to redemption and subscription of Shares and the conversion price will be calculated according to the respective Net Asset Value, which may be increased or reduced, in addition to administrative charges.

Any request for conversions shall be irrevocable and may not be withdrawn by any Shareholder in any circumstances, except in the event of a deferral of his/her/its request or a suspension of the determination of the Net Asset Value of the relevant Sub-Fund. In the event of a suspension, the Company will process the conversion requests with respect to the first applicable Valuation Day following the end of the period of suspension.

## VI. Reference currency of the Sub-Fund

The reference currency of the Sub-Fund is EUR.

## VII. Investment Manager

The AIFM has delegated the portfolio management function of the Sub-Fund to Fondsmæglersekskabet CABA Capital A/S, a Danish investment firm under the supervision of the Danish Financial Supervisory Authority (FSA) (Finanstilsynet) and having its registered office at Toldbodgade 55, 3rd floor, 1253 Copenhagen, Denmark (the "**Investment Manager**").

## VIII. Fees and expenses

### Management Fee

The AIFM and the Investment Manager will receive out of the assets of the relevant Class a quarterly management fee (hereafter the "Management Fee") based on the average Net Asset Value of the assets attributable to the relevant Class during the relevant quarter as stated in the table below as disclosed in table below. The Management Fee shall be payable quarterly in arrears and the Investment Manager will be paid out of the Management Fee.

The Management Fee will be allocated to the various classes of shares based on the Net Asset Value of the assets attributable to the relevant Class.

The Management Fee will be calculated and will be payable quarterly in arrears, or otherwise as agreed in writing between the Fund and the AIFM from time to time.

Class of Shares	Class A; Class B and Class C
<b>AIFM Fee</b>	MEUR 0 – 100: 0.065 % MEUR 100 – 200: 0.05 % MEUR > 200 : 0.04 %  Minimum fixed fee 50 000 Euro / annum
<b>Investment Manager</b>	1% fixed fee 15% Performance fee (3% Hurdle Rate)

### Performance Fee

The AIFM and the Investment Manager will be entitled to receive the above mentioned performance fee, payable out of the assets of the Sub-Fund.

In order to protect the Shareholder's interests, a High-water Mark principle is applied so as 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.

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 calculate on the first Valuation Date following the Initial Offering Period. If the Net Asset Value per Share of such Class at the end of a financial year exceeds the High-Water Mark, the High-Water Mark will be set 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.

If the Net Asset Value per Share of the relevant Class is lower than or equal to the High-Water Mark at the end of the financial year, the Investment Manager will not be entitled to receive a performance fee. If the Net Asset Value per Share of the relevant Class exceeds by minimum 3% the High-Water Mark (hereafter the "Hurdle Rate") at the end of the financial year, the Investment Manager will be entitled to receive a performance fee of 15% of the increase of the Net Asset value above the Hurdle Rate.

To calculate the Net Asset Value per Share of the relevant Class as of any Valuation Day, the performance fee will be accrued (if applicable) on an annualised basis as an expense of such relevant Class.

The performance fee will be payable within 14 days of 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 AIFM following the date of redemption (per such month end). The AIFM shall be in charge of collecting the Performance Fee and shall be responsible for the payment thereof to Investment Manager.

The period of reference for the calculation of the first performance fee will start on the launch of each Class and will end of the same financial year as the Class' launch.

If the AIFM Agreement [and/or the Investment Fund Management Agreement] is terminated before 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.

#### **IX. Frequency of the Net Asset Value calculation and Valuation Day**

The Net Asset Value per Share will be determined daily as of each Business Day and any other day or days as the Board may determine on a case-by-case basis or generally from time to time (the "**Valuation Day**") and subject to the provisions of section 7.1 "Calculation of Net Asset Value" of the Prospectus.

The first Valuation Day will be set on 14<sup>th</sup> June 2024 or such other date as may be determined by the Board at its discretion.

#### **X. Distribution**

The Shares of each Class being issued as accumulating Shares no distributions will be made by the Sub-Fund.

#### **XI. Marketing Agent**

The AIFM has appointed Fondsmæglersekskabet CABA Capital A/S as distributors for the purpose of distributing the Shares of the Sub-Fund.

#### **XII. Sustainability disclosure**

The AIFM and the Investment Manager integrate sustainability risks into their risk management processes.

The Sub-Fund qualifies as an Article 6 fund under the Regulation (EU) 2019/2088 of the European Council of 27 November 2019 on sustainability-related disclosures in the financial sector and does not promote environmental or social characteristics or aims at sustainable investment (as provided for under articles 8 or 9 of the sustainability regulation).

### **XIII. Risk Disclosure / Important information**

There can be no assurance that the Sub-Fund may achieve its investment objective or avoid substantial losses. Investors should refer to section 4 "Risk Disclosure" of the Part I of this Prospectus.

In addition, the Sub-Fund is exposed to the following specific risk factors which are associated to the investment policy and restrictions (see sections II and III above) being implemented.

#### **General Derivative Risk**

The Sub-Fund may use derivatives and this may involve risks that are different from and possibly greater than the risks associated with investing directly in securities and traditional instruments. Derivatives are subject to liquidity risk, interest rate risk, market risk and default risk. They also involve the risk of improper valuation and the risk that the changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. As a consequence, the Sub-Fund when investing in derivative transactions, may lose more than the principal amount invested, resulting in a further loss to the Sub-Fund.

#### **Leverage**

The Sub-Fund may achieve some leverage through the use of repos, reverse repos, swaps, futures, FX spots and FX swaps for the purpose of making investments. The use of leverage creates special risks and may significantly increase the Sub-Fund's investment risk. Leverage creates an opportunity for greater yield and total return, but, at the same time, exposes a Sub-Fund to greater risk than an unlevered vehicle. Leverage might produce losses for the Sub-Fund that are greater than the Sub-Fund's contributed capital. Therefore, there is a risk that the Fund might enter into insolvency proceedings and that investors lose their investment in the Sub-Fund.

#### **Hedging techniques**

The Company may engage in currency hedging transactions with regards to certain Classes of Shares (the "**Hedged Share Class**"). Hedged Share Classes are designed (i) to minimize, when a Class of Shares has a Class Currency denominated in a currency other than the Sub-Fund Currency, exchange rate fluctuations between the Class Currency of Hedged Share Class and the Sub-Fund Currency or (ii) to reduce exchange rate fluctuations between the Class Currency of the Hedged Share Class and other material currencies within the Sub-Fund's portfolio.

The hedging will be undertaken to reduce exchange rate fluctuations in case the Class Currency of the Sub-Fund or other material currencies within the Sub-Fund is (are) declining or increasing in value relative to the hedged currency. The hedging strategy employed will seek to reduce as far as possible the exposure of the Hedged Share Classes and no assurance can be given that the hedging objective will be achieved. In the case of a net flow to or from a Hedged Share Class the hedging may not be adjusted and reflected in the net asset value of the Hedged Share Class until the following or a subsequent Business Day following the Valuation Day on which the instruction was accepted. This risk for holders of any Hedged Share Class may be mitigated by using any of the efficient portfolio management techniques and instruments (including currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), within the conditions and limits imposed by the Luxembourg financial supervisory authority. Investors should



be aware that the hedging strategy may substantially limit Shareholders of the relevant Hedged Share Class from benefiting from any potential increase in value of the Class of Shares expressed in the Class Currency(ies), if the Hedged Share Class currency falls against the Class Currency(ies). Additionally, Shareholders of the Hedged Share Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class. Any financial instruments used to implement such hedging strategies with respect to one or more Classes of a Sub-Fund shall be assets and/or liabilities of such Sub-Fund as a whole, but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. However, due to the lack of segregated liabilities between Classes of the same Sub-Fund, costs which are principally attributed to a specific Class may be ultimately charged to the Sub-Fund as a whole. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. No intentional leveraging should result from currency hedging transactions of a Class although hedging may exceed 100% for short periods between redemption instructions and execution of the hedge trade.

#### **Risks due to short sales**

The Sub-Fund may be allowed to take short positions on securities. In such a case the Sub-Fund may be exposed to price movements in an opposite way as the expected one which may involve that the Sub-Fund is not able to cover the short position. As a result, the Sub-Fund may theoretically face an unlimited loss. The availability in the market of the borrowed securities cannot be ensured when necessary to cover such short position.

The Sub-Fund may establish either long or short positions in currencies or FX derivatives. Changes in exchange rates may affect the performance of the Sub-Fund.

#### **Repurchase and Reverse Repurchase Agreement Risk**

The Sub-Fund may enter into repurchase and reverse repurchase agreements. The use of repurchase and reverse repurchase agreements by the Sub-Fund involves certain risks. For example, if the seller of securities to the Sub-Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Sub-Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Sub-Fund's ability to dispose of the underlying securities may be restricted. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Sub-Fund may suffer a loss to the extent that it is forced to liquidate its position in the market and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

Furthermore, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a Fund to risks similar to those associated with optional or forward derivative financial instruments.

### **Risks linked to securities lending**

In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by the Sub-Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of the Sub-Fund to meet delivery obligations under security sales.

### **Futures**

Futures markets are highly volatile and a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to a Sub-Fund. Moreover, most commodity exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Such regulations could prevent the Sub-Fund from promptly liquidating unfavourable positions and thus subject the Sub-Fund to substantial losses.