# PROSPECTUS

# BUY & HOLD LUXEMBOURG

an undertaking for collective investment in transferable securities (UCITS) in the form of an open-ended common investment fund

**9th January 2026**

**Contents**

**1. Information for Prospective Investors ..... 3**
**2. Buy & Hold Luxembourg – Summary of Classes of Units (1) ..... 5**
**3. The Fund ..... 9**
**4. Investment policy ..... 10**
4.1 Investment objective ..... 10
4.2 Reference Currency ..... 10
4.3 Liquid Assets ..... 10
4.4 Ancillary Liquid Assets ..... 10
4.5 Collective Management of Assets ..... 10
4.6 Cross-investments between Sub-Funds of the Fund ..... 11
**5. Investment in Buy & Hold Luxembourg ..... 11**
5.1 General Information on the Units ..... 11
5.2 Subscription of Units ..... 13
5.3 Redemption of Units ..... 14
5.4 Conversion of Units ..... 15
5.5 Suspension of the Subscription, Redemption, Conversion of Units and the Calculation of the Net Asset Value ..... 16
5.6 Deferral of redemption or conversion of Units ..... 16
5.7 Net Asset Value Calculation Error Thresholds ..... 16
5.8 Net Asset Value Calculation Errors/Non-Compliance – Investments through a Financial Intermediary 17
5.9 Swing Pricing ..... 17
5.10 Measures to combat Money-Laundering ..... 18
5.11 Market Timing and Late Trading ..... 19
**6. Authorised Investments and Investment Restrictions ..... 19**
**7. Use of efficient portfolio management techniques ..... 25**
7.1 Use of Securities Financing Transactions and Total Return Swaps ..... 25
7.2 Management of collateral and collateral policy ..... 28
7.3 Information in annual/financial report ..... 31
**8. Risk Factors ..... 31**
Investment Risk ..... 35
**9. Net Asset Value ..... 43**
**10. Expenses and Taxes ..... 45**
**11. Accounting Year ..... 52**
**12. Appropriation of the Net Income and Capital Gains ..... 52**
**13. Lifetime, Liquidation and Merger ..... 53**
**14. Information for Unitholders ..... 54**
**15. Management Company ..... 54**
**16. Depositary ..... 55**
**17. UCI Administrator ..... 57**
**18. Regulatory Disclosure ..... 57**
**19. Main Parties ..... 58**
**20. Sub-Funds ..... 60**
Buy & Hold Luxembourg – B&H Equity ..... 60
Buy & Hold Luxembourg – B&H Flexible ..... 67
Buy & Hold Luxembourg – B&H Bonds ..... 74
Buy & Hold Luxembourg – B&H Debt ..... 81

## 1. Information for Prospective Investors

This prospectus (the **Prospectus**) is valid only if accompanied by the latest key information document (**Key Information Document**), the latest annual report, and also the latest semi-annual report if this was published after the latest annual report. Such documents shall be deemed to form part of this Prospectus. Prospective investors shall be provided with the latest version of the Key Information Document in good time before their proposed subscription of units in Buy & Hold Luxembourg (the **Fund**).

This Prospectus does not constitute an offer or solicitation to subscribe units (**Units**) in the Fund by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. Information which is not contained in this Prospectus, or in the documents mentioned herein which are available for inspection by the public, shall be deemed unauthorised and cannot be relied upon.

Potential investors should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion, redemption or disposal of Units. Further tax considerations are set out in Chapter 10, Expenses and Taxes.

Prospective investors who are in any doubt about the contents of this Prospectus should consult their bank, broker, solicitor, accountant or other independent financial adviser.

This Prospectus may be translated into other languages. To the extent that there is any inconsistency between the English-language Prospectus and a version in another language, the English-language Prospectus shall prevail, unless stipulated otherwise by the laws of any jurisdiction in which the Units are sold.

Potential investors should read and consider the risk description in Chapter 8, Risk Factors, before investing in the Fund.

Some of the classes of Units (**Classes of Units**) may be listed on the Luxembourg Stock Exchange.

The management company of the Fund (the **Management Company**) will not disclose any confidential information about investors unless it is required to do so by the applicable laws or regulations.

The Units being offered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **1933 Act**) or under any securities laws of any of the states of the United States. The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Therefore, the Units may not be offered or sold directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the 1933 Act. Further, the board of directors of the Management Company has decided that the Units shall not be offered or sold, directly or indirectly, to any ultimate beneficial owner that constitutes a U.S. Person. As such, the Units may not be directly or indirectly offered or sold to or for the benefit of "U.S. Person", which shall be defined as and include (i) a United States person as described in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), (ii) a U.S. person as such term is defined in Regulation S of the 1933 Act, as amended (the **Regulation S**), (iii) a person that is in the United States as defined in Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended, (the **Rule 202**) and (iv) and a person that does not qualify as a Non-United States Person as such term is defined in U.S. Commodities Futures Trading Commission Rule 4.7. (the **Rule 4.7**).

The Management Company has the right to refuse any transfer, assignment or sale of Units in its sole discretion if the Management Company reasonably determines that it would result in a Prohibited Person (as defined below) holding Units, either as an immediate consequence or in the future.

Any transfer of Units may be rejected by the UCI Administrator and the transfer shall not become effective until the transferee has provided the required information under the applicable know your customer and anti-money laundering rules.

The term Prohibited Person means any person, corporation, limited liability company, trust, partnership, estate or other corporate body, if in the sole opinion of the Management Company, the holding of Units of the relevant Sub-Fund may be detrimental to the interests of the existing Unitholders or of the relevant Sub-Fund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the relevant Sub-Fund or any subsidiary or investment structure (if any) may become exposed to tax or other legal, regulatory or

administrative disadvantages, fines or penalties that it would not have otherwise incurred or, if as a result thereof the relevant Sub-Fund or any subsidiary or investment structure (if any), the Management Company and/or the Fund, may become required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply.

The term Prohibited Person includes (i) any investor which does not meet the definition of eligible investors as, and if, defined for the respective Sub-Fund in Chapter 20, Sub-Funds, (if any), (ii) any U.S. Person or (iii) any person who has failed to provide any information or declaration required by the Management Company within one (1) calendar month of being requested to do so.

**Data Protection Policy**

The Management Company is committed to protecting the personal data of the investors (including prospective investors) and of the other individuals whose personal information comes into its possession in the context of investor's investments in the Fund.

The Management Company has taken all necessary steps, to ensure compliance with the EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC and with any implementing legislation applicable to them (together, the Data Protection Law) in respect of personal data processed by it in connection with investments made into the Fund. This includes (non-exclusively) actions required in relation to: information about processing of the investor’s personal data and, as the case may be, consent mechanisms, procedures for responding to requests to exercise individual rights, contractual arrangements with suppliers and other third parties, arrangements for overseas data transfers and record keeping and reporting policies and procedures. Personal data shall have the meaning given in the Data Protection Law and includes any information relating to an identifiable individual, such as the investor’s name, address, invested amount, the investor’s individual representatives ' names as well as the name of the ultimate beneficial owner, where applicable, and such investor’s bank account details.

When subscribing to the Units, each investor is informed of the processing of his/her personal data (or, when the investor is a legal person, of the processing of such investor’s individual representatives and/or ultimate beneficial owners’ personal data) via a data protection notice which will be made available in the application form issued by the Management Company to the investors. This notice will inform the investors about the processing activities undertaken by the Management Company and its delegates in more details.

## 2. Buy & Hold Luxembourg – Summary of Classes of Units (1)

### Buy & Hold Luxembourg – B&H Equity

| | ISIN | Reference Currency | Management Fee | Performance Fee | UCI Administrator Fee[1] | Registrar and Transfer Agent Fee[2] | Depositary Fee |
|---|---|---|---|---|---|---|---|
| Class 1 | LU1988110760 | EUR | 0.81 % p.a. | 7% p.a. | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |
| Class 2 | LU2278574558 | EUR | 1.80% p.a. | 7% p.a. | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |
| Class 3 | LU2278574632 | EUR | 0% | 0% | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |

[1] Pursuant to the Central Administration Services Agreement, as it may be amended from time to time. Other service fees are described in the agreement.
[2] Pursuant to the Central Administration Services Agreement, as it may be amended from time to time. Other service fees are described in the agreement.

**Buy & Hold Luxembourg – B&H Flexible**

| | ISIN | Reference Currency | Management Fee | Performance Fee | UCI Administrator Fee[3] | Registrar and Transfer Agent Fee[4] | Depositary Fee |
|---|---|---|---|---|---|---|---|
| Class 1 | LU1988110844 | EUR | 0.66 % p.a. | 5% p.a. | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund) plus EUR 1,000 p.a. Regulatory reporting plus per Trailer fees calculation and reporting per Sub-Fund | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |
| Class 2 | LU2278574715 | EUR | 1.45% p.a. | 5% p.a. | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |
| Class 3 | LU2278574806 | EUR | 0% | 0% | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |

[3] Pursuant to the Central Administration Services Agreement, as it may be amended from time to time. Other service fees are described in the agreement.
[4] Pursuant to the Central Administration Services Agreement, as it may be amended from time to time. Other service fees are described in the agreement.

**Buy & Hold Luxembourg – B&H Bond**

| | ISIN | Reference Currency | Management Fee | Performance Fee | UCI Administrator Fee[5] | Registrar and Transfer Agent Fee[6] | Depositary Fee |
|---|---|---|---|---|---|---|---|
| Class 1 | LU1988110927 | EUR | 0.56 % p.a. | 3% p.a. | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.040% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |
| Class 2 | LU2278574988 | EUR | 1.25% | 3% p.a. | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |
| Class 3 | LU2278575019 | EUR | 0% | 0% | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |

(1) This Summary of Classes of Units should not be relied upon as a substitute for reading the Prospectus;
(2) The actual Management Fee and maximum UCI Administrator fee charged shall be disclosed in the respective annual or semi-annual report;
(3) The performance fee is set out in Chapter 20, Sub-Funds.

[5] Pursuant to the Central Administration Services Agreement, as it may be amended from time to time. Other service fees are described in this agreement.
[6] Pursuant to the Central Administration Services Agreement, as it may be amended from time to time. Other service fees are described in this agreement.

**Buy & Hold Luxembourg – B&H Debt**

| | ISIN | Reference Currency | Management Fee | Performance Fee | UCI Administrator Fee[7] | Registrar and Transfer Agent Fee[8] | Depositary Fee |
|---|---|---|---|---|---|---|---|
| Class 1 | LU2842969078 | EUR | 0.35 % p.a. | n/a | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund, no applicable the first 2 years from the establishment of the sub-fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |
| Class 2 | LU2842969151 | EUR | 0.8% p.a. | n/a | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund, no applicable the first 2 years from the establishment of the sub-fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |
| Class 3 | LU2842969235 | EUR | 0% | 0% | 0.04% p.a. (with a minimum fee of EUR 12,000 p.a. per Sub-Fund, no applicable the first 2 years from the establishment of the sub-fund) | EUR 5,000 p.a. per Sub-Fund. | Up to 0.04% p.a. with a minimum EUR 10,000 p.a. per Sub-Fund |

(1) This Summary of Classes of Units should not be relied upon as a substitute for reading the Prospectus;
(2) The actual Management Fee and maximum UCI Administrator fee charged shall be disclosed in the respective annual or semi-annual report;

[7] Pursuant to the Central Administration Services Agreement, as it may be amended from time to time. Other service fees are described in this agreement
[8] Pursuant to the Central Administration Services Agreement, as it may be amended from time to time. Other service fees are described in this agreement

## 3. The Fund

**Buy & Hold Luxembourg** is registered on the official list of undertakings for collective investment in transferable securities in the form of a common fund (*fonds commun de placement*) subject to Part I of the Law of December 17, 2010 relating to undertakings for collective investment, as amended from time to time (**Law of December 17, 2010**) transposing Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The Fund has been set up at the initiative of Buy & Hold Capital SGIIC, S.A. The Fund is managed by Buy & Hold Capital SGIIC, S.A. (**Management Company**) in accordance with the management regulations of the Fund (**Management Regulations**).

The Fund's assets shall be separate from the Management Company's assets and hence shall not be liable for the obligations of the Management Company.

The Fund is an undivided collection of assets and investors (**Unitholders**) shall have equal undivided co-ownership rights to all of the Fund's assets in proportion to the number of Units held by them and the corresponding net asset value (**Net Asset Value**) of those Units. These rights shall be represented by the Units issued by the Management Company. There is no provision in the Management Regulations for any meeting of the Unitholders.

The Management Regulations of the Fund were issued on 19 August 2019 and published on the *Recueil électronique des Sociétés et Associations* (RESA) and the latest amended version is dated 9th January, 2026. They may be amended by the Management Company. All amendments will be announced in accordance with Chapter 14, Information for Unitholders and will be deposited with the Registre de Commerce et des Sociétés of the Grand Duchy of Luxembourg. The Management Regulations are filed in their consolidated, legally binding form for public reference with the Commercial and Company Register of the Luxembourg District Court.

The Management Regulations shall govern the relations between the Management Company and the Unitholders, as described in this Prospectus. The subscription or purchase of Units shall imply acceptance of the Management Regulations by the Unitholder.

The Fund is an umbrella structure and therefore consists of at least one Sub-Fund (each referred to as a **Sub-Fund**). Each Sub-Fund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Unitholders and third parties. The rights of Unitholders and creditors concerning a Sub-Fund or which have arisen in relation to the establishment, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. No Sub-Fund will be liable with its assets for the liabilities of another Sub-Fund.

The Management Company may, at any time, establish new Sub-Funds with Units having similar characteristics to the Units in the existing Sub-Funds. The Management Company may, at any time, create and issue new Classes of Units or types of Units within any Sub-Fund. If the Management Company establishes a new Sub-Fund and/or creates a new Class of Units or type of Units, the corresponding details shall be set out in this Prospectus. A new Class of Units or type of Units may have different features than the currently existing Classes of Units.

The characteristics of each possible Class of Units are further described in this Prospectus, in particular in Chapter 5, Investment in Buy & Hold Luxembourg and in Chapter 2, Buy & Hold Luxembourg - Buy & Hold Luxembourg - Summary of Classes of Units.

The individual Sub-Funds shall be denominated as indicated in Chapter 2, Buy & Hold Luxembourg - Buy & Hold Luxembourg - Summary of Classes of Units and Chapter 20,Sub-Funds. The reference currency in which the Net Asset Value of the corresponding Units of a Sub-Fund is expressed is also stipulated in Chapter 2, Buy & Hold Luxembourg - Buy & Hold Luxembourg - Summary of Classes of Units.

Information about the performance of the individual Classes of Units of the Sub-Funds is contained in the Key Information Document.

## 4. Investment policy

### 4.1 Investment objective

The primary objective of the Fund is to provide investors with an opportunity to invest in professionally managed portfolios. The assets of the Sub-Funds shall be invested, in accordance with the principle of risk diversification, in transferable securities and other assets as specified in Article 41 of the Law of December 17, 2010. The investment objective and policy of the individual Sub-Funds are described in Chapter 20, Sub-Funds. The assets of the individual Sub-Funds will be invested in accordance with the investment restrictions as stipulated by the Law of December 17, 2010 and set out in this Prospectus in Chapter 6, Authorised Investments and Investment Restrictions.

The investment objective of each Sub-Fund is to maximize the appreciation of the assets invested. In order to achieve this, the Fund shall assume a fair and reasonable degree of risk. However, in consideration of market fluctuations and other risks (see Chapter 8, Risk Factors) there can be no guarantee that the investment objective of the relevant Sub-Funds will be achieved. The value of investments may go down as well as up and investors may not recover the value of their initial investment.

### 4.2 Reference Currency

The reference currency of the Fund is the Euro (EUR).

Sub-Funds may have other currencies in which the performance and the Net Asset Value of the Sub-Funds are calculated (**Reference Currency**). The Reference Currencies of the relevant Sub-Funds are specified in Chapter 2, Buy & Hold Luxembourg – Summary of Classes of Units.

### 4.3 Liquid Assets

Each Sub-Fund may, hold units/shares in undertakings for collective investment in transferable securities which are subject to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (**UCITS**), as amended from time to time ( the **Directive 2009/65/EC**) and in bank deposits, money market instruments and money market funds that meet the criteria of Article 41 (1) of the 2010 Law. These investments, together with any investments in other undertakings for collective investment in transferable securities and/or other undertakings for collective investment, must not exceed 10% of the total net assets of a Sub-Fund.

### 4.4 Ancillary Liquid Assets

A Sub-Fund may hold up to 20% of its net assets in ancillary liquid assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions. Ancillary liquid assets are limited to bank deposits at sight and cash on sight. Ancillary liquid assets do not include term deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the Law of December 17, 2010. Unfavourable market conditions, for the avoidance of doubt, refers to circumstances in which the overall market environment or specific market factors pose challenges or risks that can adversely affect the performance or stability of the Sub-Fund and the interests of the Unitholders. Examples of such conditions include the Covid crisis in 2020 or the sub-prime crisis in 2008.

### 4.5 Collective Management of Assets

For the purpose of efficient management of the Fund and where the investment policies so permit, the Management Company may opt to manage all or part of the assets of certain Sub-Funds in common. Assets so managed shall be referred to hereinafter as a “pool”. Such pools are created solely for internal management purposes and do not constitute a separate legal entity. Therefore, they cannot be directly accessed by investors. Each of the jointly managed Sub-Funds shall remain entitled to its own specific assets. The assets jointly managed in the pools may be divided and transferred to all the participating Sub-Funds at any time.

If the assets of several Sub-Funds are pooled in order to be managed jointly, a written record is kept of that portion of the assets in the pool which can be allocated to each of the Sub-Funds concerned, with reference to the Sub-Fund's original share in this pool. The rights of each participating Sub-Fund to the jointly managed assets shall relate to each individual position in the respective pool. Additional investments made for the jointly managed Sub-Funds shall be allocated to these Sub-Funds in an amount proportionate to their participation while assets, which have been sold, shall be deducted from each participating Sub-Fund's assets accordingly.

### 4.6 Cross-investments between Sub-Funds of the Fund

The Sub-Funds of the Fund may, subject to the conditions provided for in the Law of December 17, 2010, and the investment policy of the respective Sub-Fund, subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds of the Fund under the following conditions:

– the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
– no more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may be invested in aggregate in units of other target Sub-Funds of the Fund; and
– voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
– in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of December 17, 2010; and
– there is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund of the Fund having invested in the target Sub-Fund, and this target Sub-Fund.

## 5. Investment in Buy & Hold Luxembourg

### 5.1 General Information on the Units

Each Sub-Fund may offer more than one Class of Units. Each Class of Units may have different features with respect to its criteria for subscription, redemption, minimum holding, fee structure, currency, and distribution policy. A separate Net Asset Value per Unit will be calculated for each Class of Units. The Classes of Units currently available for each Sub-Fund are briefly described on Chapter 2, Buy & Hold Luxembourg - Summary of Classes of Units. The Classes of Units are set out in the relevant Annex. Further Classes of Units may be created by the Management Company in accordance with the requirements of the CSSF.

Certain fees, charges and expenses shall be paid out of the assets of the Sub-Funds. For further information, see Chapter 10, Expenses and Taxes.

All Classes of Units are only available in uncertificated form and will exist exclusively as book entries.

The Units which make up each such Class of Units will either be capital-growth Units or distribution Units as specified in Chapter 20, Sub-Funds.

Capital-growth Units

Details of the characteristics of capital-growth Units are included in Chapter 12, Appropriation of Net Income and Capital Gains.

Distribution Units

Details of the characteristics of distribution Units are included in Chapter 12, Appropriation of Net Income and Capital Gains.

Minimum initial investment, minimum subsequent investment and minimum holding

Details of an initial minimum initial investment, minimum subsequent investment and minimum holding (if applicable) are specified in Chapter 20, Sub-Funds.

Issue Price and Issue Period

The initial issue price and the initial issue period is determined in Chapter 20, Sub-Funds.

After the initial offering, Units may be subscribed at the applicable Net Asset Value.

The Management Company may, at any time, decide on the issue of Classes of Units in any additional freely convertible currencies at an initial issue price to be determined by the Management Company.

Except in case of alternate currency Classes of Units, Classes of Units shall be denominated in the Reference Currency of the Sub-Fund to which they relate (as specified in Chapter 20, Sub-Funds and Chapter 2, Buy & Hold Luxembourg - Summary of Classes of Units).

Investors may, at the discretion of the UCI Administrator, pay the subscription monies for Units in a convertible currency other than the currency in which the relevant Class of Units is denominated. As soon as the receipt is confirmed by the Depositary, such subscription monies shall be automatically converted into the currency in which the relevant Units are denominated upon instruction of the UCI Administrator.

Further details are set out in Chapter 5, Investment in Buy & Hold Luxembourg, section 5.2, Subscription of Units.

The Management Company may, at any time, issue within a Sub-Fund one or more Classes of Units, which may be denominated in a currency other than the Sub-Fund's Reference Currency (**Alternate Currency Class**). Where explicitly mentioned in the Sub-Fund related part of Chapter 20, Sub-Funds, of this Prospectus, the Management Company may enter into certain currency related transactions in order to hedge the exchange rate risk between the Reference Currency of such Sub-Fund and the currency in which Units of such Class of Units are designated. Any financial instruments used to implement such strategies with respect to one or more Class(es) of Units shall be assets and liabilities of a Sub-Fund as a whole but will be attributable to the relevant Class of Units and the gains and losses on and the costs of the relevant financial instrument will accrue solely to the relevant Class of Units.

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

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

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

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

The Net Asset Value of the Units of the Alternate Currency Classes of Units may not develop in the same way as that of the Classes of Units issued in the Reference Currency.

Investors' attention is drawn to the risk factor entitled "Unit Currency Designation Risk" in Chapter 8, Risk Factors. However, no assurance can be given that the hedging objective would be achieved.

Units may be held through collective depositories. In such cases Unitholders shall receive a confirmation in relation to their Units from the depository of their choice (for example, their bank or broker), or Units may be held by Unitholders directly in a registered account kept for the Fund and its Unitholders by the Fund's UCI Administrator. These Unitholders will be registered by the Central Administration. Units held by a depository may be transferred to an account of the Unitholder with the UCI Administrator or to an account with other depositories approved by the Management Company or with an institution participating in the securities and fund clearing systems. Conversely, Units credited to a Unitholder's account kept by the UCI Administrator may at any time be transferred to an account with a depository.

The Management Company may divide or merge the Units in the interest of the Unitholders.

### 5.2 Subscription of Units

Units may be subscribed on any Subscription Day specified as such in Chapter 20, Sub-Funds at the Net Asset Value per Unit of the relevant Class of Units of the Sub-Fund, which is calculated on the relevant Valuation Day (as defined in Chapter 20, Sub-Funds and Chapter 9, Net Asset Value) according to the calculation method described in Chapter 9, Net Asset Value plus the applicable initial sales charge and any taxes. The applicable maximum sales charge levied in connection with the Units of the Fund is indicated in Chapter 2, Buy & Hold Luxembourg - Summary of Classes of Units.

Unless otherwise specified in Chapter 20, Sub-Funds, subscription applications must be submitted in written form to the UCI Administrator or a distributor authorised by the Management Company to accept applications for the subscription or redemption of Units (**Distributor** or **Distributors**) as defined below.

Applications must be received by the UCI Administrator before the cut-off-time specified for the relevant Sub-Fund in Chapter 20, Sub-Funds (the **Cut-Off-Time**). Earlier cut-off times may apply for subscription applications submitted to Distributors. Investors are advised to contact their Distributor to find out which cut-off time is applicable to them. Applications received after the relevant Cut-Off-Time shall be deemed to have been received prior to the Cut-Off-Time for the following Subscription Day.

Unless stated otherwise in Chapter 20, Sub-Funds, payment must be received within three (3) days on which banks are normally open all day for business in Luxembourg (**Banking Day**) after the Valuation Day on which the issue price of such Units was determined.

Charges to be paid due to the subscription of Units shall accrue to the banks and other financial institutions engaged in the distribution of the Units, unless otherwise specified in Chapter 20, Sub-Funds. Any taxes incurred on the issue of Units shall also be charged to the investor. Subscription amounts for Classes of Units in freely convertible currencies shall be paid in the currency in which the relevant Units are denominated or, if requested by the investor and at the sole discretion of the UCI Administrator, in another freely convertible currency. Payment shall be effected by bank transfer to the bank accounts of the Fund opened at the Depositary, which are indicated in the subscription form.

The Management Company may in the interest of the Unitholders accept transferable securities and other assets permitted by Part I of the Law of December 17, 2010 as payment for subscription (**Contribution in Kind**), provided, the offered transferable securities and assets correspond to the investment policy and restrictions of the relevant Sub-Fund. Each payment of Units in return for a contribution in kind is part of a valuation report issued by the auditor of the Fund. The Management Company may at its sole discretion, reject all or several offered transferable securities and assets without giving reasons. All costs caused by such Contribution in Kind (including the costs for the valuation report, broker fees, expenses, commissions, etc.) shall be borne by the investor.

The Units shall be issued upon the receipt of the issue price with the correct value date. Notwithstanding the above, the Management Company may, at its own discretion, decide that the subscription application will only be accepted once these monies are received by the Depositary.

If the payment is made in a currency other than the one in which the relevant Units are denominated, the proceeds of conversion from the currency of payment to the currency of denomination less fees and exchange commission shall be allocated to the purchase of Units. For Classes of Units issued in currencies with limited or non-convertibility the above is not applicable.

The minimum value or number of Units which must be held by a Unitholder in a particular Class of Units is set out in Chapter 2, Buy & Hold Luxembourg - Summary of Classes of Units, if applicable. Such minimum initial investment and holding requirement may be waived in any particular case at the sole discretion of the Management Company.

Subscriptions and redemptions of fractions of Units shall be permitted up to three decimal places. A holding of fractional Units shall entitle the Unitholder to proportional rights in relation to such Units. It might occur that clearing institutions will be unable to process holdings of fractional Units. Investors should verify whether that is the case.

The Management Company and the UCI Administrator are entitled to refuse any subscription application in whole or in part for any reason, and may in particular prohibit or limit the sale of Units to individuals or corporate bodies in certain countries or regions if such sales might be detrimental to the Fund or result in the Shares being held directly or indirectly by a Prohibited Person or if a subscription in the country concerned is in contravention of applicable laws. Moreover, where new investments would adversely affect the achievement of the investment objective, the Management Company may decide to suspend the issue of Units on a permanent or temporary basis. The issue of Units may be suspended under the terms of Section 5.5 Suspension of the Subscription, Redemption, Conversion of Units and the Calculation of the Net Asset Value below or at the Management Company's discretion in the best interests of the Sub-Fund, notably under other exceptional circumstances.

### 5.3 Redemption of Units

The Management Company shall in principle redeem Units on any Redemption Day specified as such in Chapter 20, Sub-Funds, at the Net Asset Value per Unit of the relevant Class of Units of the Sub-Fund (based on the calculation method described in Chapter 9, Net Asset Value), applicable on the Valuation Day at such Redemption Day, less any redemption charge, if applicable. For this purpose, redemption applications must be submitted to the UCI Administrator or the Distributor.

Redemption applications for Units held through a depository must be submitted to the depository concerned. Unless otherwise specified in Chapter 20, Sub-Funds, redemption applications must be completed and submitted to the UCI Administrator or the Distributor and redemption applications must be received by the UCI Administrator before the relevant Cut-Off-Time of the respective Sub-Fund. Earlier cut-off times may apply for redemption applications submitted to Distributors. Investors are advised to contact their Distributor to find out which cut-off time is applicable to them. Redemption applications received after the Cut-Off-Time on a Redemption Day shall be deemed to have been received prior to the Cut-Off-Time for the following Redemption Day.

If the execution of a redemption application would result in the relevant investor's holding in a particular Class of Units falling below the minimum holding requirement for that Class of Units as set out in Chapter 2, Buy & Hold Luxembourg - Summary of Classes of Units, the Management Company may, without further notice to the Unitholder, treat such redemption application as though it were an application for the redemption of all Units of that Class of Units held by the Unitholder.

Unless otherwise specified in Chapter 20, Sub-Funds, Units shall be redeemed at the relevant Net Asset Value per Unit calculated on the Valuation Day on such Redemption Day.

Whether and to what extent the redemption price is lower or higher than the issue price paid depends on the development of the Net Asset Value of the relevant Class of Units.

Payment of the redemption price of the Units shall be made within three (3) Banking Days following calculation of the redemption price, unless otherwise specified in Chapter 20, Sub-Funds. This does not apply where specific statutory provisions, such as foreign exchange or other transfer restrictions or other circumstances beyond the Depositary's control make it impossible to transfer the redemption amount.

The Management Company may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to a Unitholder, a redemption in kind, in all or in part, whereby the Unitholder receives a portfolio of assets of the Sub-Fund of equivalent value to the redemption price (less any redemption fee). In such circumstances, the Unitholder must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In proposing or accepting a request for redemption in kind at any given time, the Management Company shall take into account the interest of other Unitholders of the Sub-Fund and the principle of fair treatment. Where the Unitholder accepts a redemption in kind, he will receive a pro rata portion of assets of the Sub-Fund. To the extent required by applicable laws and regulations, any redemption in kind will be valued independently in a special report issued by the Auditor or any other authorised statutory auditor (*réviseur d'entreprises agréé*) agreed by the Management Company. The Management Company and the redeeming Unitholder will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming Unitholder or by such other third party as agreed by the Management Company.

The Management Company also reserves the right to postpone the payment of redemption proceeds after the end of the normal redemption settlement period.

Payment shall be made by means of remittance to a bank account or, if possible, by cash in the currency that is legal tender in the country where payment is to be made, after conversion of the amount in question.

Upon payment of the redemption price, the corresponding Unit shall be cancelled.

If the Management Company discovers at any time that Units are owned by a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly, the Management Company may at its discretion and without liability, compulsorily redeem the Units in accordance with the rules laid down in the Management Regulations, and upon redemption, the Prohibited Person will cease to be the owner of those Units. The Management Company may require any Unitholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Units is or will be a Prohibited Person. Further, the Unitholders shall have the obligation to immediately inform the Management Company to the extent the ultimate beneficial owner of the Units held by such Unitholder becomes or will become a Prohibited Person

The redemption of units may be suspended under the terms of section 5.5, Suspension of the Subscription, Redemption, Conversion of Units and the Calculation of the Net Asset Value below or in other exceptional cases where the circumstances and the best interests of the Unitholders so require.

### 5.4 Conversion of Units

Unitholders of a particular Class of a Sub-Fund may convert all or part of their Units into Units of a Class of another Sub-Fund or into another Class of Units of the same Sub-Fund on a Conversion Day, specified as such in Chapter 20, Sub-Funds, provided that the requirements (see Chapter 2, Buy & Hold Luxembourg - Summary of Classes of Units) for the Class of Units into which such Units are converted are complied with. No fee will be charged for such conversions.

Unless otherwise specified in Chapter 20, Sub-Funds, conversion applications must be completed and submitted to the UCI Administrator or the Distributor, and conversion applications must be received by the UCI Administrator before the Cut-Off-Time specified for the relevant Sub-Fund in Chapter 20, Sub-Funds. Earlier cut-off times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which cut-off time is applicable to them. Conversion applications received after the Cut-Off-Time shall be deemed to have been received prior the Cut-Off-Time for the following Conversion Day. Conversion shall take place on the basis of the applicable Net Asset Value per Unit calculated on the relevant Valuation Day of such Conversion Day. Conversions of Units will only be made on a Valuation Day, if the Net Asset Value in both relevant Classes of Units is calculated.

Where processing an application for the conversion of Units would result in the relevant Unitholder's holding in a particular Class of Units falling below the minimum holding requirement for that Class of Units set out in Chapter 2, Buy & Hold Luxembourg - Summary of Classes of Units, the Management Company may, without further notice to the Unitholder, treat such conversion application as though it were an application for the conversion of all Units held by the Unitholder in that Class of Units.

Where Units denominated in one currency are converted into Units denominated in another currency, the foreign exchange and conversion fees incurred will be taken into consideration and deducted. Conversion into or from Classes of Units issued in currencies with limited or non-convertibility, will be converted into or from EUR respectively as necessary.

### 5.5 Suspension of the Subscription, Redemption, Conversion of Units and the Calculation of the Net Asset Value

The Management Company may suspend the calculation of the Net Asset Value and/or, where applicable, the issue, redemption and conversion of Units of a Sub-Fund where a substantial proportion of the assets of the Sub-Fund:

a) cannot be valued, because a stock exchange or market is closed on a day other than a usual public holiday, or when trading on such stock exchange or market is restricted or suspended; or
b) is not freely disposable, because a political, economic, military, monetary or any other event beyond the control of the Management Company does not permit the disposal of the Sub-Fund's assets, or such disposal would be detrimental to the interests of Unitholders; or
c) cannot be valued, because disruption to the communications network or any other reason makes a valuation impossible; or
d) is not available for transactions, because restrictions on foreign exchange or other types of restrictions make asset transfers impracticable or it can be objectively demonstrated that transactions cannot be effected at normal foreign exchange rates;
e) in exceptional circumstances, whenever the Management Company considers it necessary in order to avoid irreversible negative effects on the Fund, a Sub-Fund or Class of Units, in compliance with the principle of fair treatment of unitholders in their best interests.

Investors applying for, or who have already applied for, the subscription, redemption or conversion of Units in the respective Sub-Fund shall be notified of the suspension without delay. Notice of the suspension shall also be published as described in Chapter 14, Information for Unitholders, if, in the opinion of the Management Company, the suspension is likely to last for longer than one week.

Suspension of the calculation of the Net Asset Value of one Sub-Fund shall not affect the calculation of the Net Asset Value of the other Sub-Funds if none of the above conditions apply to such other Sub-Funds.

### 5.6 Deferral of redemption or conversion of Units

Unless otherwise applicable to a Sub-Fund as described in Chapter 20, Sub-Funds, if on any given Redemption Day or Conversion Day, applications for redemption or conversion of Units out of a Sub-Fund or Class of Units represent in aggregate more than 10% of the Net Asset Value of the Sub-Fund or Class of Units, the Management Company may decide part (on a pro rata basis) or all of such requests for redemption or conversion will be deferred to the next or subsequent Redemption Days or Conversion Days until the application is processed in full. On a next or subsequent Redemption Day or Conversion Day, deferred redemption or conversion requests will be met in priority to requests submitted in respect of such Redemption Day or Conversion Day. The Management Company also reserves the right to postpone the payment of redemption proceeds after the end of the normal redemption settlement period in accordance with the provisions set out in Suspension of the Subscription, Redemption, Conversion of Units and the Calculation of the Net Asset Value above.

As an alternative to deferring applications for redemptions, the Fund may propose to an investor, who accepts, to settle a redemption application, in whole or in part, by a distribution in kind of certain assets of the Sub-Fund or Class of Units in lieu of cash, subject to the conditions set out in Suspension of the Subscription, Redemption, Conversion of Units and the Calculation of the Net Asset Value above.

### 5.7 Net Asset Value Calculation Error Thresholds

In accordance with CSSF Circular 24/856, the Management Company will apply the following tolerance thresholds in determining the materiality of a Net Asset Value calculation error for each Sub-Fund as indicated in Chapter 20:

| Type of Sub-Fund | Tolerance Threshold |
|---|---|
| Money market UCIs / cash funds* | 0.20% of NAV |
| Investing primarily in bonds and/or other debt securities- Bond UCIs | 0.50% of NAV |
| Investing primarily in shares and other securities equivalent to shares - Equity UCIs | 1.00% of NAV |
| Investing in a mixed investment policy - Mixed UCIs | 0.50% of NAV |
| Invest primarily in other eligible assets for a UCITS | 1.00% of NAV** |

* Money Market Funds governed by Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as amended.

** The "other assets" at the level of a UCITS refer, alongside bonds and/or other debt securities as well as shares and/or other securities equivalent to shares, only to the sole other assets in which a UCITS may invest according to the applicable rules.

### 5.8 Net Asset Value Calculation Errors/Non-Compliance – Investments through a Financial Intermediary

Certain errors in the Net Asset Value calculation and/or non-compliance with the investment policy/rules may result in compensation being due to the Unitholders, and/or investors and/or the ultimate beneficial owner of the respective Units when an investor subscribes to Units in the Fund through an intermediary agent (the "**End Investor**") after the necessary corrective actions are taken. Where investments in the Fund are made through a financial intermediary/nominee, this could result in the Management Company not being able to identify the End Investor and thus not being able to directly compensate such End Investor/s. In such instances the obligation and responsibility to compensate the investor will be that of the financial intermediary/nominee who is registered in the Unitholders register of the Fund.

As a result, Unitholders and End Investors are advised that compensation paid out via financial intermediaries/nominees may be subject to different processes, and delays or variations in compensation outcomes could occur (specifically if paid out via financial intermediaries/nominees). Furthermore, the rights of End Investors may be affected when compensation is paid out in case of errors/non-compliance at the level of the Fund where End Investors subscribed to Units of the Fund through a financial intermediary.

In those instances when it is determined that the payment of any compensation due will result in the Unitholders or End Investors receiving no benefit, due to the applicable bank charges and other fees they would have to bear (the de minimis rule), the Management Company shall proceed to inform the Unitholder or in those instances where the End Investor is not known to the Management Company) the financial intermediary /nominee shall inform the End Investor accordingly.

### 5.9 Swing Pricing

In certain cases, subscriptions, redemptions and conversions within a Sub-Fund may have a negative impact on the Net Asset Value per Unit. When subscriptions, redemptions and conversions within a Sub-Fund entail the obligation for the Sub-Fund in question to buy and/or sell underlying assets, the value of these assets may be affected by the difference between supply and demand, transaction costs and by certain related expenses such as transaction fees, brokerage fees and taxes. This transaction may have a negative impact on the Net Asset Value per Unit; this is known as "dilution". In order to protect existing or remaining investors against the potential effects of dilution, the Management Company has the option to apply the swing pricing method described below.

The Management Company will determine the swing factor which is the amount by which the Net Asset Value per Unit may be adjusted upwards or downwards in order to take account of dealing, transaction related costs (such as fiscal and other costs and charges) which would be payable on the effective acquisition or disposal of assets in the relevant Sub-Fund, provided that, for the purpose of calculating the expenses of a Sub-Fund which are based on the Net Asset Value per Unit of the relevant Sub-Fund, the UCI Administrator will continue to use the unswung Net Asset Value per Unit.

If the net capital activity on a given Valuation Day leads to a net inflow of assets in excess of 2% of the Net Asset Value (the "**Swing Threshold**"), the Net Asset Value used to process all subscriptions, redemptions or conversions in such Sub-Fund is adjusted upwards by the swing factor.

If the net capital activity on a given Valuation Day leads to a net outflow of assets in excess of the Swing Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such Sub-Fund is adjusted downwards by the swing factor.

Where there is no dealing on a Sub-Fund or Class of Units on any Valuation Day, the price will be the unadjusted Net Asset Value per Unit.

The swing factor will not exceed 2% of the Net Asset Value per Unit, unless otherwise stipulated in Chapter 20, Sub-Funds, for a specific Sub-Fund. An interim report will be issued in order to check the relevance of the swing factor compared to the market conditions.

For the purpose of calculating the expenses of a Sub-Fund which are based on the Net Asset Value (including any applicable Performance Fee), the UCI Administrator will continue to use the Net Asset Value prior to any such swing pricing adjustments being applied.

Unless otherwise specified in Chapter 20, Sub-Funds, for a specific Sub-Fund, swing pricing will apply to each of the Sub-Funds. Swing pricing when implemented will be at a Sub-Fund level rather than Classes of Units level as transaction related costs are incurred at Sub-Fund level.

When applying the swing pricing method, the volatility of the Net Asset Value of a Sub-Fund may not reflect the real performance of the portfolio (and thus, where applicable, may not differ from the Sub-Fund's benchmark index). Where applicable, the performance fee will be charged on the basis of the unswung Net Asset Value.

The board of directors of the Management Company may at its sole discretion decide in exceptional circumstances to override the mechanical process where it is considered to be in the best interests of investors of the Sub-Funds. The board of directors of the Management Company may at it sole discretion decide on the swinging or the swing factor for instance: (i) when there is an increased volume of redemptions from a fund over a period of time; (ii) linked trading; (iii) subscriptions and redemptions in kind; (iv) fund mergers; and (v) liquidating funds, etc.

**5.10 Measures to combat Money-Laundering**

The Distributors are obliged by the Management Company to ensure compliance with all current and future statutory or professional regulations in Luxembourg aimed at combating money laundering and terrorist financing. These regulations stipulate that the Distributors are under obligation, prior to submitting any application form to the UCI Administrator, to verify the identity of the investor and beneficial owner.

The UCI Administrator of the Fund is however entitled at its own discretion to request, at any time, further identification documentation related to a subscription application or to refuse to accept subscription applications upon the submission of all documentary evidence.

The Distributors shall ensure that their sales offices adhere to the above verification procedure at all times. The UCI Administrator and the Management Company shall at all times be entitled to request evidence of compliance from the Distributors. Furthermore, the Distributor accepts that it is subject to, and must properly enforce, the national regulations aimed at combating money laundering and terrorist financing.

The UCI Administrator is responsible for observing the above-mentioned verification procedure in the event of subscription applications submitted by Distributors which are not operators in the financial sector or which are operators in the financial sector but are not subject to an identity verification requirement equivalent to that existing under Luxembourg law. Permitted financial sector operators from Member States of the EU, EEA and/or FATF (Financial Action Task Force on Money Laundering) are generally deemed to be subject to an identity verification requirement equivalent to that existing under Luxembourg law. The same applies to their branches and subsidiary companies in countries other than those mentioned above, provided the financial sector operator is obliged to monitor compliance with the identity verification requirements on the part of its branches and subsidiary companies.

### 5.11 Market Timing and Late Trading

The Management Company does not permit practices related to Market Timing (i.e. a method through which an investor systematically subscribes and redeems or converts Units of Classes of Units 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). It therefore reserves the right to reject subscription and conversion applications from an investor who the Fund suspects of using such practices and to take, if appropriate, the necessary measures to protect the other investors of the Fund.

The Management Company does further not permit practices related to Late Trading (i.e. the execution of a subscription or redemption application after the time limit fixed for accepting applications (the **Cut-off time**) on the relevant day and the execution of such application at a price based on the net asset value applicable to such same day).

The Management Company considers that such practices violate the provisions of the Prospectus according to which an application received after the Cut-off Time is dealt with at a price based on the next applicable Net Asset Value. As a result, subscription and redemption applications shall be dealt with at an unknown Net Asset Value.

The Management Company therefore reserves the right to reject subscription applications from an investor who the Management Company suspects of using such practices and to take, if appropriate, the necessary measures to protect the other investors of the Fund.

## 6. Authorised Investments and Investment Restrictions

For the purpose of this Chapter, each Sub-Fund shall be regarded as a separate Fund within the meaning of Article 40 of the Law of December 17, 2010.

The following provisions shall apply to the investments made by each Sub-Fund:

1) The Fund's investments may comprise only one or more of the following:

   a) transferable securities and money market instruments admitted to or dealt in on a regulated market; for these purposes, a regulated market is any market for financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments as amended;
   b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognized and open to the public; for the purpose of this Chapter "Member State" means a Member State of the European Union (**EU**) or the States of the European Economic Area (**EEA**);
   c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognized and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania;
   d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on stock exchanges or markets as per paragraphs a), b) or c) above and provided such admission takes place within one year of issue;

e) units or shares of undertakings for collective investment in transferable securities authorised according to Directive 2009/65/EC (UCITS) and/or other undertakings for collective investment (**UCI**), whether or not established in a Member State, provided that:
   – these other UCI are authorised under laws which provide that they are subject to supervision considered by the supervisory authority responsible for the Fund, to be equivalent to that required by EU Community law and that cooperation between the supervisory authorities is sufficiently ensured,
   – the level of protection for share-/unitholders of the other UCIs is equivalent to that provided for share-/unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
   – the business activities of the other UCIs are reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
   – the UCITS or other UCIs whose units/shares are to be acquired, may not, pursuant to their management regulation or instruments of incorporation, invest more than 10% of their total net assets in units/shares of other UCITS or other UCIs;

f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the supervisory authority responsible for the Fund, as equivalent to those laid down in EU Community law;

g) financial derivative instruments, including equivalent cash-settled instruments which are dealt in on the regulated markets specified under paragraphs a), b) and c) above and/or financial derivative instruments which are dealt in over-the-counter (**OTC derivatives**), provided that:
   – the underlying consists of instruments within the meaning of Article 41, paragraph (1) of the Law of December 17, 2010, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives,
   – the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the supervisory authority responsible for the Fund, and
   – the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

h) money market instruments other than those dealt in on a regulated market but which are normally traded on the money market and are liquid, and whose value can be precisely determined at any time, provided the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments are:
   – issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
   – issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs a), b) or c) above, or
   – issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU Community law, or issued or guaranteed by an establishment that is subject to and complies with supervisory rules considered by the supervisory authority responsible for the Fund, to be at least as stringent as those required by EU Community law, or
   – issued by other bodies belonging to the categories approved by the supervisory authority responsible for the Fund, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph h) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual financial statements in accordance with the fourth Directive 78/660/EEC or is an entity, which within a group of companies comprising one or several listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

2) The Sub-Funds shall not, however, invest more than 10% of their total net assets in transferable securities or money market instruments other than those referred to in section 1).

The Sub-Funds may hold ancillary liquid assets in different currencies, as set out in section 4.4, Ancillary Liquid Assets in Chapter 4, Investment policy.

3) The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the investment positions and their contribution to the overall risk profile of the portfolio and a process for accurate and independent assessment of the value of OTC derivatives.

Unless specified otherwise in Chapter 20, Sub-Funds, each Sub-Fund may, for the purpose of (i) hedging, and/or (ii) efficient portfolio management, and/or (iii) implementing its investment strategy, and subject to the provisions set out below, engage in foreign exchange transactions and/or use financial derivative instruments and/or techniques based on transferable securities, money market instruments or forward contracts on stock exchange indices within the meaning of Part I of the Law of December 17, 2010.

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

As part of its investment policy and within the limits laid down in section 4) paragraph e), each Sub-Fund may invest in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 4). If a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 4). When a transferable security or a money market instrument embeds a derivative instrument, the derivative instrument shall be taken into account when complying with the requirements of this section.

The global exposure of a Sub-Fund to financial derivative instruments and efficient portfolio management techniques may not exceed the Net Asset Value of the respective Sub-Fund. Global exposure is calculated, at least on a daily basis, using either the commitment approach or the value-at-risk or “VaR” approach, as further explained below. Global exposure is a measure designed to limit either the incremental exposure and leverage generated by a Sub-Fund through the use of financial derivative instruments and efficient portfolio management techniques (where the Sub-Fund uses the commitment approach) or the market risk of the Sub-Fund’s portfolio (where the Sub-Fund uses the VaR approach).

The method used by each Sub-Fund to calculate global exposure is mentioned in Chapter 20, Sub-Funds.

Under the commitment approach, all financial derivative positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of a Sub-Fund is limited to 100% of its Net Asset Value.

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the respective Sub-Fund is subject to periodic stress tests.

VaR limits are set using an absolute or relative approach. The Management Company will decide which VaR approach is the most appropriate methodology given the risk profile and investment strategy of the respective Sub-Fund. The VaR approach selected for each Sub-Fund using VaR is specified in Chapter 20, Sub-Funds.

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark for the respective Sub-Fund (for instance, where the Sub-Fund has an absolute return target). Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Sub-Fund. Based on the above calculation parameters, the absolute VaR of each Sub-Fund is limited to 20% of its Net Asset Value. The Management Company may set a lower limit if appropriate.

The relative VaR approach is used for Sub-Funds where a leverage-free VaR benchmark or reference portfolio may be defined, reflecting the investment strategy of the respective Sub-Fund. The relative VaR of a Sub-Fund is expressed as a multiple of the VaR of the defined benchmark or reference portfolio and is limited to no more than twice the VaR on that benchmark or reference portfolio. The VaR benchmark or

reference portfolio of the respective Sub-Fund, which may be different from the benchmark used for other purposes, is specified in Chapter 20, Sub-Funds.

Unless otherwise indicated in Chapter 20, Sub-Funds, a Sub-Fund may use leverage to increase its exposure through the use of financial derivative instruments. Leverage may be used at the discretion of the Management Company in accordance with the investment objective and policy of each Sub-Fund and its defined risk profile. Leverage involves certain risks for the Sub-Fund, as further described in Chapter 20, Sub-Funds below. Leverage is monitored on a regular basis by the Management Company.

Under applicable laws and regulations, the level of leverage is defined as the sum of the absolute value of the notional amount of all financial derivative instruments used by the respective Sub-Fund, as well as any additional exposure generated by the reinvestment of cash collateral in relation to efficient portfolio management techniques, if any. The expected level of leverage, expressed as a percentage of the Net Asset Value of the Sub-Fund, is disclosed for each Sub-Fund in Chapter 20, Sub-Funds.

The “sum of notionals” methodology, which is mandatory under applicable laws and regulations, does not allow for the offset of hedging transactions and other risk mitigation strategies involving financial derivative instruments, such as currency hedging or duration management. Similarly, the “sum of notionals” methodology does not allow for the netting of derivative positions and does not take into account the underlying assets’ volatility or make any distinction between short term and long term assets. As a result, strategies that aim to reduce risks may contribute to an increased level of leverage for the Sub-Fund.

In order to take into account the specific use of financial derivative instruments and their contribution to the risks of the Sub-Fund concerned, the expected level of leverage disclosed in Chapter 20, Sub-Funds, based on the “sum of notionals” methodology, may be supplemented by expected leverage figures calculated on the basis of the commitment approach, as described above, which takes into account hedging and netting arrangements.

The risk management of the Management Company supervises the compliance of these provision in accordance with the requirements of applicable circulars or regulation issued by the Luxembourg supervisory authority (Commission de Surveillance du Secteur Financier) or any other European authority authorised to issue related regulation or technical standards.

4) a) No more than 10% of the total net assets of each Sub-Fund may be invested in transferable securities or money market instruments issued by the same issuer. In addition, the total value of all transferable securities and money market instruments of those issuers, in which the Fund invests more than 5% of its total net assets, shall not exceed 40% of the value of its total net assets. No Sub-Fund may invest more than 20% of its total net assets in deposits made with the same body. The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction and/or efficient portfolio management techniques may in aggregate not exceed the following percentages:

   – 10% of total net assets if the counterparty is a credit institution referred to in Chapter 6, Authorised Investments and Investment Restrictions, section 1) paragraph f), or
   – 5% of total net assets in other cases.

   b) The 40% limit specified in section 4) paragraph a) is not applicable to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

   Irrespective of the limits specified in paragraph 4) point a), each Sub-Fund shall not combine, where this would lead to investing more than 20% of its total net assets in a single body, any of the following:

   – investments in transferable securities or money market instruments issued by that body, or
   – deposits made with that body, or
   – exposures arising from OTC derivatives transactions undertaken with that body.

   c) The limit of 10% stipulated in section 4) paragraph a) is raised to a maximum of 35% if the securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies to which one or more Member States belong.

d) The 10% limit stipulated in section 4) paragraph a) is raised to 25% for bonds issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must be invested in accordance with the legal requirements in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its total net assets in bonds referred to in this paragraph which are issued by a single issuer, the total value of these investments may not exceed 80% of the Sub-Fund's total net assets.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) of this section 4) shall not be taken into account for the purpose of applying the limit of 40% referred to under paragraph a) of this section. The limits specified under section 4) paragraphs a), b), c) and d) shall not be combined; thus investments in transferable securities or money market instruments issued by the same issuer or in deposits or derivative instruments made with this body carried out in accordance with paragraphs a), b), c) and d) shall not exceed in total 35% of a Sub-Fund's total net assets. Companies which belong to the same group for the purposes of the preparation of consolidated financial statements in accordance with Directive 83/349/EU as amended or restated or in accordance with internationally recognized accounting rules, shall be regarded as a single issuer for the purpose of calculating the investment limits specified in the present section 4). A Sub-Fund may cumulatively invest up to a limit of 20% of its total net assets in transferable securities and money market instruments within the same group.

f) **The limit of 10% stipulated in section 4) paragraph a) is raised to 100% if the transferable securities and money market instruments involved are issued or guaranteed by a Member State, one or more of its local authorities, by any other state which is a member of the Organisation for Economic Cooperation and Development (OECD) by Brazil or Singapore, or by a public international body to which one or more Member States of the European Union belong. In such case, the Sub-Fund concerned must hold securities or money market instruments from at least six different issues, and the securities or money market instruments of any single issue shall not exceed 30% of the Sub-Fund's total assets.**

g) Without prejudice to the limits laid down in section 6), the limits laid down in the present section 4) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body, when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the supervisory authority responsible for the Fund, on the following basis:

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

   The aforementioned limit of 20% may be raised to a maximum of 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

5) The Fund will not invest more than 10% of the total net assets of any Sub-Fund in units/shares of other UCITS and/or in other UCIs (**Target Funds**) pursuant to section 1) paragraph e) unless otherwise specified in the investment policy applicable to a Sub-Fund as described in Chapter 20, Sub-Funds.

   Where a higher limit as 10% is specified in Chapter 20, Sub-Funds, the following restrictions shall apply:

   – No more than 20% of a Sub-Fund's total net assets may be invested in units/shares of a single UCITS or other UCI. For the purpose of application of this investment limit, each compartment of a UCITS or other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

– Investments made in units/shares of UCI other than UCITS may not in aggregate exceed 30% of the total net assets of the Sub-Fund.

Where a Sub-Fund invests in units/shares of other UCITS and/or other UCI that are managed, directly or by delegation, by the same management company or by any other company with which the Management Company is linked by common management or control, or by a direct or indirect holding of more than 10% of the capital or votes (**Affiliated Funds**), the Management Company or the other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units/shares of such Affiliated Funds.

Unless specified otherwise in Chapter 20, Sub-Funds, no Management Fee corresponding to the volume of these investments in Affiliated Funds may be charged at the level of the respective Sub-Fund, unless the Affiliated Fund itself does not charge any management fee.

Investors should note that for investments in units/shares of other UCITS and/or other UCI the same costs may generally arise both at the Sub-Fund level and at the level of the other UCITS and/or UCI itself.

6) a) The Fund's assets may not be invested in securities carrying voting rights which would allow the Fund to exercise significant influence on the management of an issuer.

b) Moreover, the Fund may not acquire more than:
   – 10% of the non-voting shares of the same issuer,
   – 10% of the debt securities of the same issuer,
   – 25% of the units/shares of one and the same UCITS or other UCI,
   – 10% of the money market instruments of the same issuer.

   In the last three cases, the restriction shall not apply if the gross amount of bonds or money market instruments, or the net amount of the instruments in issue cannot be calculated at the time of acquisition. The restrictions set out under paragraphs a) and b) shall not apply to:
   – transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,
   – transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union,
   – transferable securities and money market instruments issued by public international bodies to which one or more Member States of the European Union belong,
   – shares held by the Fund in the capital of a company which is incorporated in a non-Member State of the European Union and which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the European Union complies with the limits stipulated in section 4, paragraphs a) to e), section 5, and section 6 paragraphs a) and b).

7) The Management Company may not borrow any money for any Sub-Fund except for:
   a) the purchase of foreign currency using a back-to-back loan
   b) an amount equivalent to not more than 10% of the Sub-Fund's total net assets and borrowed on a temporary basis.

8) The Fund may not grant loans or act as guarantor for third parties.

9) To ensure efficient portfolio management, each Sub-Fund may, in accordance with the provisions of the applicable Luxembourg regulations, enter into securities lending transactions.

10) The Fund may not invest its assets directly in real estate, precious metals or certificates representing precious metals and goods.

11) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in section 1) paragraphs e), g) and h).

12) a) In relation to borrowing conducted within the limitations set out in the Prospectus, the Fund may pledge or assign the assets of the Sub-Fund concerned as collateral.

b) Furthermore, the Fund may pledge or assign the assets of the Sub-Fund concerned as collateral to counterparties of transactions involving OTC derivatives or financial derivative instruments which are dealt in on a regulated market referred to under section 1) paragraphs a), b) and c) above in order to secure the payment and performance by such Sub-Fund of its obligations to the relevant counterparty. To the extent counterparties require the provision of collateral exceeding the value of the risk to be covered by collateral or the over collateralisation is caused by other circumstances (e.g. performance of the assets posted as collateral or provisions of customary framework documentation), such (excess) collateral may – also in respect of non-cash collateral - be exposed to the counterparty risk of such counterparty and may only have a mere unsecured claim in respect of such assets.

13) A Sub-Fund may not act as a feeder fund. But, under the conditions set forth in Luxembourg laws, circulars and regulations, the Management Company may, at any time it deems appropriate and to the widest extent permitted by applicable Luxembourg laws, create any Sub-Fund and/or Class qualifying as a master UCITS.

The restrictions set out above shall not apply to the exercise of subscription rights.

During the first six (6) months following official authorisation of a Sub-Fund in Luxembourg, the restrictions set out in section 4) and 5) above need not to be complied with, provided that the principle of risk diversification is observed.

If the limits referred to above are exceeded for reasons beyond the control of the Management Company or as a result of the exercise of subscription rights, the Management Company shall as a matter of priority remedy that situation, taking due account of the interests of the Unitholders.

The Management Company is entitled to issue, at any time, further investment restrictions in the interests of the Unitholders, if for example such restrictions are necessary to comply with legislation and regulations in those countries in which Units of the Fund are or will be offered for sale or for purchase.

## 7. Use of efficient portfolio management techniques

A Sub-Fund may, subject to the conditions and within the limits laid down in the Luxembourg laws and regulations, the provisions of this Prospectus and as further described in Chapter 20, Sub-Funds:

- invest in financial derivative instruments for investment purposes, for efficient portfolio management or to provide protection against risks (market, securities, interest rate, credit and other risks) and/or
- enter into securities financing transactions (i.e. repurchase transactions, securities lending, buy-sell back transactions, sell-buy back transactions) use total return swaps or any other efficient portfolio management transaction as covered by Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("**SFTR**").

### 7.1 Use of Securities Financing Transactions and Total Return Swaps

In order to reduce risks or costs or to procure capital gains or revenues, a Sub-Fund, to the extent further disclosed for a specific Sub-Fund in Chapter 20, Sub-Funds, a Sub-Fund may use techniques and instruments (including, but not limited to, securities lending, repurchase agreements and reverse repurchase transactions) relating to transferable securities and money market instruments for the purpose of efficient portfolio management and where this is in the best interest of the Sub-Fund and in line with its investment objective.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in Chapter 20, Sub-Funds.

Such techniques and instruments will be conducted in compliance with the rules specified in:

- Article 11 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 20 December 2002 on undertakings for collective investment;

- Circular CSSF 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to Transferable Securities and Money Market Instruments;
- Circular CSSF 14/592
- Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse, and
- any other applicable laws and regulations.

Risks linked to such techniques and instruments will be adequately covered by the Management Company's risk management process. For further information on risks linked to such techniques and instruments and the effect on investors returns are described in Chapter 8, Risk Factors. There can be no guarantee that the objective of the use of such techniques and instruments will be achieved.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivative instruments must be combined when calculating counterparty risk limits.

In particular, fees and costs may be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation for their services. The fees of any relevant counterparty and other intermediaries involved in efficient portfolio management techniques may not exceed 40% of the total income generated by these efficient portfolio management techniques. Such fees may be calculated as a percentage of total revenues earned by the Sub-Fund through the use of such techniques. The remaining income (60%) accrue to the relevant Sub-Fund. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Management Company and the relevant Investment Manager or the Depositary (if any), will be available in the annual report of the Fund.

The counterparties to such transactions will be financial institutions headquartered in a member state of the OECD and having directly or at parent-level an investment grade credit rating from an internationally recognised rating agency, subject to prudential supervision, specialised in such transactions, in accordance with the standard terms laid down by ISDA, as applicable.

Details of the selection criteria and a list of approved counterparties are available upon request at the registered office of the Management Company.

Securities lending transactions

To the extent disclosed for a Sub-Fund in Chapter 20, Sub-Funds, the Fund may more specifically enter into securities lending transactions in relation to that Sub-Fund provided that the following rules are complied with in addition to the above-mentioned conditions:

- the borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU Law;

- the Fund may only lend securities to a borrower either directly or through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU Law and specialised in this type of transaction;

- the Fund may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

Where a Sub-Fund enters into securities lending transactions, the maximum and the expected proportion of such Sub-Fund’s net assets that could be subject to securities lending transactions will be specified for each Sub-Fund in Chapter 20, Sub-Funds.

The collateral received shall comply with the requirements set out in section 7.2 Management of collateral and collateral policy. Further details regarding such transactions are disclosed in Chapter 20, Sub-Funds for each Sub-Fund and in the Fund's annual report. The risks related to the use of securities lending transactions and the

effect on investors returns are described in Chapter 8, Risk Factors. Chapter 20, Sub-Funds may specify other risk factors on the use of securities lending transactions.

Repurchase and reverse repurchase transactions

To the extent disclosed for a Sub-Fund in Chapter 20, Sub-Funds, the Fund may enter into:

- repurchase agreements that consist of forward transactions at the maturity of which the Fund (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions; and/or;

- reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the asset sold and the Fund (buyer) the obligation to return the assets purchased under the transactions.

The Fund's involvement in such transactions is, however, subject to the following rules:

- the counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU Law;

- the value of a transaction is maintained at a level that allows the Fund to meet its redemption obligations at any time; and

- the Fund may only enter into repurchase agreement and/or reverse repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Where a Sub-Fund may enter into repurchase and reverse repurchase transactions, the underlying assets and investment strategies to which exposure will be gained are those allowed as per the Sub-Fund's investment policy and objectives specified in Chapter 20, Sub-Funds.

Where a Sub-Fund enters into repurchase and reverse repurchase transactions, the maximum and the expected proportion of such Sub-Fund's net assets that could be subject to repurchase and reverse repurchase transactions will be specified in Chapter 20, Sub-Funds.

The collateral received shall comply with the requirements set out in section 7.2, Management of collateral and collateral policy.

Further details regarding such transactions are disclosed in Chapter 20, Sub-Funds and in the Fund's annual report.

The risks related to the use of repurchase and reverse repurchase transactions and the effect on investors returns are described in Chapter 20, Sub-Funds.

Total Return Swaps

To the extent disclosed in Chapter 20, Sub-Funds, a Sub-Fund may use total return swaps in order to achieve its investment objective.

Total return swaps are financial derivative instruments in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty. The total return receiver must in turn pay the total return payer any reduction in the value of the reference obligation and possibly certain other cash flows.

The Fund will enter into total return swaps on behalf of the relevant Sub-Fund by private agreement with counterparties as further defined below.

Where a Sub-Fund uses total return swaps, the underlying assets and investment strategies to which exposure will be gained are those allowed as per the Sub-Fund's investment policy and objectives set out in Chapter 20, Sub-Funds.

In any case, such total return swaps and other financial derivative instruments that display the same characteristics may have underlying assets such as currencies, interest rates, transferable securities, a basket of transferable securities, indices, or undertakings for collective investments.

Where a Sub-Fund enters into total return swaps, the maximum and the expected proportion of such Sub-Fund's net assets that could be subject to total return swaps will be specified in Chapter 20, Sub-Funds.

In particular, fees and costs may be paid to the relevant counterparty and other intermediaries providing services in connection with total return swaps as normal remuneration for their services. The fees of any relevant counterparty and other intermediaries involved in total return swaps may not exceed 40 % of the total income generated by these total return swaps. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. The remaining income will accrue to the relevant Sub-Fund. Information on direct and indirect operational costs and fees that may be incurred in this respect, the identity of the entities to which such costs and fees are paid as well as any relationship they may have with the Management Company or the Depositary (if any) will be available in the annual report of the Fund.

Any variation margin in connection with the Sub-Fund entering into total return swaps is valued and exchanged daily, subject to the terms of the relevant derivatives contract.

The counterparties to such transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU Law and specialised in this type of transaction. The counterparties to such transactions shall be financial institutions headquartered in a member state of the OECD and having directly or at parent-level an Investment Grade credit rating from an internationally recognised rating agency, subject to prudential supervision, specialised in such transactions, in accordance with the standard terms laid down by ISDA, as applicable.

Details of the selection criteria and a list of approved counterparties is available at the registered office of the Management Company.

The counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the relevant delegated party. At no time will a counterparty to a transaction have discretion over the composition or the management of the Sub-Fund's investment portfolio or over the underlying of the total return swap.

The risk of counterparty default and the effect on investor's returns are described in Chapter 8, Risk Factors, further information with respect to investments in total return swaps, can be found in Chapter 20, Sub-Funds.

### 7.2 Management of collateral and collateral policy

General

In the context of OTC financial derivative instruments (in particular total return swaps) and efficient portfolio management techniques, each Sub-Fund concerned may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Fund in such case. All assets received by a Sub-Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purposes of this section.

Eligible collateral

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

- Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

- It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;

- It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

- It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the concerned Sub-Fund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country or a public international body to which one or more Member Sates belong. In such an event, the relevant Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the concerned Sub-Fund's Net Asset Value;

- Risks linked to the management of collateral, such as operational and legal risks, are identified, managed and mitigated by the risk management process;

- Where there is a title transfer, the collateral received will be held by the Depositary. For other types of collateral arrangement, the collateral will be held by a third-party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral;

- It should be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Sub-Funds may consist of:

- Cash and cash equivalents, including short-term bank certificates and money market instruments;

- Bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with European Union, regional or worldwide scope;

- Shares or units issued by money market UCIs calculating a daily Net Asset Value and being assigned a rating of AAA by any of the four main rating agencies, S&P, Moody’s, Fitch and DBRS;

- Shares or units issued by UCITS investing mainly in bonds/shares mentioned in the following two bullet points;

- Bonds issued or guaranteed by first class issuers offering adequate liquidity;

- Shares admitted to or dealt in on a Regulated Market of a member state or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

Level of collateral

With respect to securities lending transactions, the relevant Sub-Fund will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least 100% of the total value of the securities lending transaction. Repurchase agreement and reverse repurchase agreements will generally be collateralised, at any time during the lifetime of the agreement, at a minimum of 100% of their notional amount.

Collateral valuation and haircut policy

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

currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

The value of collateral will correspond to the market value of the relevant securities reduced by at least the applicable haircut percentage specified in the table below. Subject to specific disclosure to the contrary in Chapter 20, Sub-Funds, the collateral haircut policy applicable to each Sub-Fund applies as follows:

| | **Financial Instruments** | **Haircut policy** |
|---|---|---|
| 1. | Cash and cash equivalents, including short-term bank certificates and money market instruments | 0% |
| 2. | Bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with European Union, regional or worldwide scope. | 0% - 8% |
| 3. | Shares or units issued by money market UCIs calculating a daily Net Asset Value and being assigned a rating of AAA by any of the four main rating agencies, S&P, Moody's, Fitch and DBRS. | 0% - 15% |
| 4. | Shares or units issued by UCITS investing mainly in bonds/shares mentioned under points 5 and 6 below. | 0% - 15% |
| 5. | Bonds issued or guaranteed by first class issuers offering adequate liquidity. | 0% - 10% |
| 6. | Shares admitted to or dealt in on a Regulated Market of a member state or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index. | 0% - 15% |

Re-investment policy

The Management Company will determine for each Sub-Fund the required level of collateral for OTC financial derivative instruments and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in Chapter 8, Risk Factors and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Cash collateral received by a Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such Sub-Fund in:

(a) shares or units issued by short-term money market undertakings for collective investment as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Ref. CESR/10-049);

(b) short-term bank deposits;

(c) high-quality government bonds issued or guaranteed by a Member State, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with European Union, regional or world-wide scope; and

(d) reverse repurchase agreement transactions according to the provisions described under section XII Article 43. J) of ESMA Guidelines on ETFs and other UCITS issues released by the CSSF under Circular CSSF 14/592. Such reinvestment will be taken into account for the calculation of each concerned Sub-Fund's global exposure, in particular if it creates a leverage effect.

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

Following reinvestment of collateral received in cash, all risks associated with a normal investment will apply.

As at the date of this Prospectus, cash collateral will not be re-used. The Prospectus will be amended accordingly should that no longer be the case.

Non-cash collateral received by the Fund may not be sold or pledged.

### 7.3 Information in annual/financial report

The following information will be disclosed in the Fund's annual and half-yearly financial reports:

- the exposure of each Sub-Fund obtained through techniques for efficient portfolio management and total return swaps;
- the identity of the counterparties for these techniques for efficient portfolio management and total return swaps;
- the relationship of these counterparties with the Management Company, the relevant Investment Manager or the Depositary;
- the type and amount of collateral received by the Sub-Funds to decrease exposure to counterparty risk;
- the revenues deriving from efficient portfolio management techniques and total return swaps for the whole reporting period, with the direct and indirect operational costs and fees borne;
- the identity of the entities to which such costs and fees are paid; and
- any other information required by SFTR.

Securitisation positions

The Fund will not hold securitisation positions in the meaning of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.

## 8. Risk Factors

In addition to the risks factors set out in Chapter 20, Sub-Funds prospective investors should consider the following risk factors before investing in the Fund. However, the risk factors set out below do not purport to be an exhaustive list of risks related to investments in the Fund.

Prospective investors should read the entire Prospectus, and where appropriate consult with their legal, tax and investment advisers, in particular regarding the tax consequences of subscribing, holding, converting, redeeming or otherwise disposing of Units under the law of their country of citizenship, residence or domicile (further details are set out in Chapter 10, Expenses and Taxes).

Investors should be aware that the investments of the Fund are subject to market fluctuations and other risks associated with investments in transferable securities and other financial instruments. The value of the investments and the resulting income may go up or down and it is possible that investors will not recoup the amount originally invested in the Fund, including the risk of loss of the entire amount invested. There is no assurance that the investment objective of a particular Sub-Fund will be achieved or that any increase in the value of the assets will occur. Past performance is not a reliable indicator of future results.

The Net Asset Value of a Sub-Fund may vary as a result of fluctuations in the value of the underlying assets and the resulting income. Investors are reminded that in certain circumstances their right to redeem Units may be suspended.

Depending on the currency of the investor’s domicile, exchange-rate fluctuations may adversely affect the value of an investment in one or more of the Sub-Funds. Moreover, in the case of an Alternate Currency Class of Units in which the currency risk is not hedged, the result of the associated foreign exchange transactions may have a negative influence on the performance of the corresponding Class of Units.

Market Risk

Market risk is a general risk which may affect all investments to the effect that the value of a particular investment could change in a way that is detrimental to the Fund's interests. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

Interest Rate Risk

Sub-Funds investing in fixed income securities may fall in value due to fluctuations in interest rates. Generally, the value of fixed income securities rises when interest rates fall. Conversely, when interest rates rise, the value of fixed income securities can generally be expected to decrease. Long term fixed income securities will normally have more price volatility than short term fixed income securities.

Foreign Exchange Risk

The Sub-Funds' investments may be made in other currencies than the relevant Reference Currency and therefore be subject to currency fluctuations, which may affect the net asset value of the relevant Sub-Funds favourably or unfavourably.

Currencies of certain countries may be volatile and therefore may affect the value of securities denominated in such currencies. If the currency in which an investment is denominated appreciates against the Reference Currency of the relevant Sub-Fund, the value of the investment will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the investment.

The Sub-Funds may enter into hedging transactions on currencies to protect against a decline in the value of investments denominated in currencies other than the Reference Currency, and against any increase in the cost of investments denominated in currencies other than the Reference Currency. However, there is no guarantee that the hedging objective will be successfully achieved.

Although it is the policy of the Fund to hedge the currency exposure of Sub-Funds against their respective Reference Currencies, hedging transactions may not always be possible and currency risks cannot therefore be excluded.

Unit Currency Designation Risk

A Class of Units of a Sub-Fund may be designated in a currency other than the Reference Currency of the Sub-Fund and/or the designated currencies in which the Sub-Fund's assets are denominated. Redemption proceeds and any distributions to Unitholders will normally be made in the currency of denomination of the relevant Class of Units. Changes in the exchange rate between the Reference Currency and such designated currency or changes in the exchange rate between the designated currencies in which the Sub-Fund's assets are denominated and the designated currency of a Class of Units may lead to a depreciation of the value of such Units as expressed in the designated currency. If specifically mentioned in the Sub-Fund related part of Chapter 20, Sub-Funds, the Management Company may try to hedge this risk. Investors should be aware that this strategy may substantially limit Unitholders of the relevant Class of Units from benefiting if the designated currency falls against the Reference Currency of the Sub-Fund and/or the currency/currencies in which the assets of the respective Sub-Fund are denominated. In such circumstances, Unitholders of the relevant Class of Units may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant assets. Assets used to implement such strategies shall be assets/liabilities of the Sub-Fund as a whole. However, the gains/losses on, and the costs of, the relevant assets will accrue solely to the relevant Class of Units.

Collateral risk

Although collateral can be taken to mitigate the risk of counterparty default, there is a risk that collateral taken, particularly in the case of securities, when realised, may not generate sufficient liquidity to settle the debts of the counterparty. This may be due to factors such as improper pricing of collateral, weaknesses in the valuation of collateral on a regular basis, adverse market movements in the collateral value, deterioration of the credit rating of the collateral issuer or the illiquidity of the market in which the collateral is negotiated.

Where a Sub-Fund is in turn required to post collateral with a counterparty, the value of the collateral that the Sub-Fund places with the counterparty may be higher than the cash or investments received by the Sub-Fund. In both cases, where there are delays or difficulties in recovering assets or liquid assets and collateral provided to counterparties or received from counterparties, the Sub-Fund may encounter difficulties in responding to purchase or redemption applications or in meeting delivery or purchase obligations under other contracts.

A Sub-Fund may reinvest the cash collateral it receives, but it is possible that the value of the return of the reinvested cash collateral will not be sufficient to cover the amount to be repaid to the counterparty. In this circumstance, the Sub-Fund would be required to cover the loss.

As collateral will take the form of cash or certain financial instruments, market risk is also relevant.

Collateral received by a Sub-Fund may be held either by the Depositary or by a third-party depositary. In either case there is a risk of loss as a result of events such as the insolvency or negligence of the Depositary or the sub-depositary.

Credit Risk

Sub-Funds investing in fixed income securities are subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity. Sub-Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Counterparty Risk

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

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

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

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

under OTC derivatives may be delayed and the securities and other assets recovered by the Fund may have declined in value. Financial derivative transactions such as swap contracts entered into by the Fund on behalf of a Sub-Fund involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

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

EU Bank Recovery and Resolution Directive

Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**) was published in the Official Journal of the European Union on June 12, 2014 and entered into force on July 2, 2014. The stated aim of the BRRD is to provide resolution authorities, including the relevant Luxembourg resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

In accordance with the BRRD and relevant implementing laws, national prudential supervisory authorities can assert certain powers over credit institutions and certain investment firms which are failing or are likely to fail and where normal insolvency would cause financial instability. These powers comprise write-down, conversion, transfer, modification, or suspension powers existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in the relevant EU Member State relating to the implementation of BRRD (the Bank Resolution Tools).

The use of any such Bank Resolution Tools may affect or restrain the ability of counterparties subject to BRRD to honour their obligations towards the Sub-Funds, thereby exposing the Sub-Funds to potential losses.

The exercise of Bank Resolution Tools against investors of a Sub-Fund may also lead to the mandatory sale of part of the assets of these investors, including their shares/units in that Sub-Fund. Accordingly, there is a risk that a Sub-Fund may experience reduced or even insufficient liquidity because of such an unusually high volume of redemption requests. In such case the Fund may not be able to pay redemption proceeds within the time period stated in this Prospectus.

Furthermore, exercising certain Bank Resolution Tools in respect of a particular type of securities may, under certain circumstances, trigger a drying-up of liquidity in specific securities markets, thereby causing potential liquidity problems for the Sub-Funds.

Liquidity Risk

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In principle, each Sub-Fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-Fund may invest in financial instruments traded over-the counter or OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of the Sub-Fund to meet a redemption request.

There is a risk that the Fund will suffer liquidity issues because of unusual market conditions, an unusually high volume of redemption requests or other reasons. In such case the Fund may not be able to pay redemption proceeds within the time period stated in this Prospectus.

Management Risk

The Fund is actively managed and therefore the Sub-Funds may be subject to management risks. The Management Company will apply its investment strategy (including investment techniques and risk analysis) when making investment decisions for the Sub-Funds, however no assurance can be given that the investment decision will achieve the desired results. The Management Company may in certain cases decide not to use investment techniques, such as derivative instruments, or, they may not be available, even under market conditions where their use could be beneficial for the relevant Sub-Fund.

**Investment Risk**

Investments in Equities

The risks associated with investments in shares (and equity-type securities) include in particular significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity compared to debt securities issued by the same company.

Investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

Investments in Fixed Income Securities

Investments in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in interest rates as well as fluctuations in currency exchange rates (as further described above under section Interest Rate Risk and Foreign Exchange Risk) and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the Reference Currency of the Sub-Fund would reduce the value of certain portfolio securities that are denominated in such a currency.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

As the Net Asset Value of a Sub-Fund is calculated in its Reference Currency, the performance of investments denominated in a currency other than the Reference Currency will depend on the strength of such currency against the Reference Currency and on the interest rate environment in the country issuing the currency. In the absence of other events that could otherwise affect the value of non-Reference Currency investments (such as a change in the political climate or an issuer's credit quality), an increase in the value of the non-Reference Currency can generally be expected to increase the value of a Sub-Fund's non-Reference Currency investments in terms of the Reference Currency. The Sub-Funds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies on the basis of the creditworthiness or risk of default. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant debt securities issue. Moreover, the Sub-Funds may invest in debt instruments in the non investment grade sector (high yield dept securities). Compared to investment grade debt securities, high yield debt securities are generally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default attached to these debt instruments.

The Sub-Funds may even invest in debt instruments that have no rating from any rating agencies. These securities can be considered as higher risk investments compared to debt instruments with a rating.

The Sub-Funds can also invest in complex or hybrid debt securities, with or without ratings, such as Convertible bonds, Convertible Contingent Debt Securities, mortgage backed debt securities…etc. Many of these instruments are generally considered as being high risk instruments and thus they usually offer higher yields to compensate for that risk.

Use of Derivatives

While the use of financial derivative instruments can be beneficial, financial derivative instruments also involve risks different from, and, in certain cases, greater than the risks presented by more traditional investments.

Derivatives are highly specialised financial instruments. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without there being any opportunity to observe the performance of the derivative under all possible market conditions.

If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself.

The other risks associated with the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives are complex and are often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Fund. Consequently, the Fund's use of derivatives may not always be an effective means to achieve the Fund's investment objective and may sometimes even have the contrary effect.

Derivative instruments also carry the risk that a loss may be sustained by the Fund as a result of the failure of the counterparty to a derivative to comply with the terms of the contract (as further described under Counterparty Risk above). The default risk for exchange-traded derivatives is generally less than for privately negotiated derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, assumes a guarantee of performance. In addition, the use of credit derivatives (credit default swaps, credit linked notes) carries the risk of a loss arising for the Fund if one of the entities underlying the credit derivative defaults.

Moreover, OTC derivatives may bear liquidity risks. The counterparties with which the Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such cases, the Fund might not be in a position to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position which might adversely affect its performance. Unlike exchange-traded derivatives, forward, spot and option contracts on currencies do not provide the Management Company with the possibility to offset the Fund's obligations through an equal and opposite transaction. Therefore, through entering into forward, spot or options contracts, the Fund may be required, and must be able, to perform its obligations under these contracts.

The use of derivative instruments may or may not achieve its intended objective.

Total Return Swap risk

For total return swaps that do not involve physical holding of securities, synthetic replication through fully funded (or unfunded) total return swaps may provide a means of obtaining exposure to strategies that are difficult to implement and which would otherwise be very expensive and difficult to access with physical replication. However, synthetic replication involves a counterparty risk. If a Sub-Fund engages in OTC financial derivative transactions, there is a risk - over and above the general counterparty risk - that the counterparty may default or be unable to fully fulfil its commitments. When a Sub-Fund enter into total return swaps on a net basis, the two cash flows are offset and the Sub-Fund will receive or pay, as the case may be, only the net amount of the two payments.

Total return swaps concluded on a net basis do not imply physical delivery of investments, other underlying assets or principal. As a result, it is anticipated that the risk of loss on total return swaps will be limited to the net amount of the difference between the total return rate of a reference investment, an index or a basket of investments and fixed or variable payments. If the other party to a total return swaps is in default, under normal circumstances, the risk of loss of the concerned Sub-Fund is the net amount of the total return of payments that the Sub-Fund is contractually entitled to receive.

Securities lending transactions risk

The risk of loss if the borrower (i.e. the counterparty) of securities loaned by the Sub-Fund defaults on payment, there is a risk of delayed recovery (which may limit the Sub-Fund's ability to meet its commitments) or risk of loss of rights on the collateral held. This risk, however, is mitigated by the solvency analysis of the borrower performed by the Management Company.

Contingent Convertible Debt Securities

The Fund may invest in contingent convertible debt securities (the "**Contingent Convertible Debt Securities**") which are hybrid securities issued by banks as debt instruments with a non-discretionary, pre-defined trigger event stated in the terms and conditions of their issue, which if occurs automatically triggers the loss absorption mechanism embedded within the security. Contingent Convertible Debt Securities are subject to the following risks:

*Trigger levels and conversion risks*: Contingent Convertible Debt Securities are complex financial instruments in respect of which trigger levels and conversion risk, depending on the distance of the capital ratio to the trigger level, differ. It might be difficult for the management company to anticipate the triggering events that would require the debt to convert into equity and to assess how the securities will behave upon conversion. In case of conversion into equity, the management company might be forced to sell these new equity shares because the investment policy of the Fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.

*Unknown and yield risks*: the structure of the Contingent Convertible Debt Securities is innovative yet untested. Investors have been drawn to this instrument as a result of its often attractive yield which may be viewed as a complexity premium. Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, Contingent Convertible Debt Securities tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for AT1 Contingent Convertible Debt Securities, coupon cancellation.

Write-down, capital structure inversion and industry concentration risks: the investment in Contingent Convertible Debt Securities may also result in a material loss. In this event, should a Contingent Convertible Debt Security undergo a write-down, the Contingent Convertible Debt Securities' investors may lose some or all of its original investment. Contrary to classical capital hierarchy, Contingent Convertible Debt Securities' investors may suffer a loss of capital when equity holders do not. To the extent that the investments are concentrated in a particular industry, the Contingent Convertible Debt Securities' investors will be susceptible to loss due to adverse occurrences affecting that industry.

*Call extension risk*: Contingent Convertible Debt Securities are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

*Coupon cancellation risk*: for some Contingent Convertible Debt Securities, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

*Liquidity risk*: In certain circumstances finding a ready buyer for Contingent Convertible Debt Securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

Securitised Bonds

Certain Funds may invest in asset-backed securities which are securities whose income payments and therefore value are derived from and collateralized (or "backed") by a specified pool of underlying assets which may be commercial or residential mortgages, credit card receivables, student loans, auto loans, other commercial or consumer receivables, corporate loans, bonds, and whole business securitisation (the "**Asset-Backed Securities**").

The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds.

Asset-Backed Securities are often exposed to extension risk (where obligations on the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected), these risks may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities.

Prepayment risk is typically greater when interest rates are declining as mortgages and loans are prepaid. This may negatively impact the return of any Fund investing in such security as the income generated will have to be reinvested at the lower prevailing interest rates. Conversely, extension risk tends to increase when interest rates rise as the prepayment rate decreases causing the duration of Asset-Backed Securities to lengthen and expose investors to higher interest rate risk.

The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

Mortgage-backed securities are securities representing an interest in a pool of loans secured by mortgages (the "**Mortgage-Backed Securities**"). Principal and interest payments on the underlying mortgages are used to pay principal and interest on the security.

The abovementioned risks described of Asset-Backed Securities also apply to Mortgage-Backed Securities.

Investments in illiquid Assets

The Fund may invest up to 10% of the total net assets of each Sub-Fund in transferable securities or money market instruments which are not traded on stock exchanges or regulated markets. It may therefore be the case that the Fund cannot readily sell such securities. Moreover, there may be contractual restrictions on the resale of such securities. In addition, the Fund may under certain circumstances trade futures contracts or options thereon. Such instruments may also be subject to illiquidity in certain situations when, for example, market activity decreases, or when a daily fluctuation limit has been reached. Most futures exchanges restrict the fluctuations in future contract prices during a single day by regulations referred to as "daily limits". During a single trading day no trades may be executed at prices above or below these daily limits. Once the price of a futures contract has increased or decreased to the limit, positions can neither be purchased nor compensated. Futures prices have occasionally moved outside the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Fund from promptly liquidating unfavourable positions and therefore result in losses.

For the purpose of calculating the Net Asset Value, certain instruments, which are not listed on an exchange, for which there is limited liquidity, will be valued based upon the average price taken from at least two major primary dealers. These prices may affect the price at which Units are re-deemed or purchased. There is no guarantee that in the event of a sale of such instruments the price thus calculated can be achieved.

Small to medium-sized Companies

A number of Sub-Funds may invest in small and medium-sized companies. Investing in the securities of smaller, lesser-known companies involves greater risk and the possibility of price volatility due to the specific growth prospects of smaller firms, the lower degree of liquidity of the markets for such stocks and the greater sensitivity of smaller companies to changing market conditions.

Hedged Class of Units Risk

The hedging strategy applied to hedged Classes of Units may vary from one Sub-Fund to another. Each Sub-Fund will apply a hedging strategy which aims to reduce currency risk between the Reference Currency of the respective Sub-Fund and the nominal currency of the hedged Class of Units while taking various practical considerations into account. The hedging strategy aims to reduce, however may not totally eliminate, currency exposure.

Investors should note that there is no segregation of liabilities between the individual Classes of Units with a Sub-Fund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a hedged Class of Units could result in liabilities affecting the Net Asset Value of the other Classes of Units of the same

Sub-Fund. In such case assets of other Classes of Units of such Sub-Fund may be used to cover the liabilities incurred by the hedged Class of Units.

Classes of Units issued in currencies with limited or non-convertibility could be subject to a higher volatility compared to hedged Classes of Units issued in freely convertible currencies.

Clearing and Settlement Procedures

Different markets also have different clearing and settlement procedures. Delays in settlement may result in a portion of the assets of a Sub-Fund remaining temporarily uninvested and no return is earned thereon. The inability of the Management Company to make intended security purchases due to settlement problems could cause a Sub-Fund to miss attractive investment opportunities. The inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-Fund due to subsequent declines in value of the portfolio security or, if a Sub-Fund has entered into a contract to sell the security, could result in possible liability to the purchaser.

Sustainable finance/Environmental, Social and Governance Risks ("ESG")

On 10 March 2021, the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**") entered into force. Sustainable finance is a relatively new field of finance. Currently, there is a lack of ESG data.

The lack of common standards may result in different approaches to setting and achieving ESG objectives. Sustainability factors may vary depending on investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied, may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is, by nature and in many instances, based on a qualitative and judgmental assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to sustainable investment. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. It may consequently be difficult to compare strategies integrating ESG criteria. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from that of a Sub-Fund.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there exists a risk of incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security. ESG data providers are private undertakings that offer their services to a variety of issuers. The ESG data providers may change the evaluation of issuers or instruments, at their discretion and from time to time, due to ESG or other factors.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision making processes to address ESG factors and risks and because of legal and regulatory developments.

Sustainability factors including environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters may represent a sustainability risk, that, if it occurs, similarly to other risks, could cause an actual or potential material negative impact on the value of the investments held by the Fund. In a similar way, sustainability factors may represent an opportunity for the Fund that, if it occurs, could case an actual or potential material positive impact on the value of investments in the Fund.

The consideration of sustainability factors and sustainability risks within the investment decision process may have either a positive or a negative impact on the value of investments and the overall performance of the Sub-Funds.

The Management Company is responsible for the assessment of the impact of sustainability risks, if any, on the Fund and, in their role as Management Company, for the risk management of the Fund. The Management Company's policy with regard to the integration of sustainability risks in the investment decision-making process is published on their website here: https://www.buyandhold.es/ftpdata/files/ESGI.pdf.

None of the Sub-Funds promotes environmental or social characteristics, nor do they have sustainable investment as their objective. The Sub-Funds are therefore considered as an “Article 6” financial product in accordance with the SFDR.

Should the approach to the consideration of sustainability factors and the related risks change, based on decisions by the Management Company with regard to the investment policy, this Prospectus will be updated.

Investment Countries

The issuers of fixed income securities and the companies, the shares of which are purchased, are generally subject to different accounting, auditing and financial reporting standards in the different countries of the world. The volume of trading, volatility of prices and liquidity of issuers may vary from one market or country to another. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws and regulations of some countries may restrict the Fund’s ability to invest in securities of certain issuers located in those countries.

Concentration on certain Countries/Regions

Where a Sub-Fund restricts itself to investing in securities of issuers located in a particular country or group of countries, such concentration will expose the Sub-Fund to the risk of adverse social, political or economic events which may occur in that country or countries.

The risk increases if the country in question is an emerging market. Investments in such Sub-Funds are exposed to the risks which have been described; these may be exacerbated by the special factors pertaining to this emerging market.

Investments in Emerging Countries

Investors should note that certain Sub-Funds may invest in less developed or emerging markets. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Sub-Funds investing in such markets, as well as the income derived from the Sub-Fund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Units of these Sub-Funds may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.

Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organized than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Sub-Funds investing in emerging market securities.

It must also be borne in mind that companies are selected regardless of their market capitalisation (micro, small, mid, large caps), sector or geographical location. This may lead to a concentration in geographical or sector terms.

Subscriptions in the relevant Sub-Funds are thus only suitable for investors who are fully aware of, and able to bear, the risks related to this type of investment.

Industry/Sector Risk

The Sub-Funds may invest in specific industries or sectors or a group of related industries. These industries or sectors may, however, be affected by market or economic factors, which could have a major effect on the value of the Sub-Fund's investments.

Sanctions

Certain countries or designated persons or entities may, from time to time, be subject to sanctions and other restrictive measures imposed by states or supranational authorities (for example, but not limited to, the European Union or the United Nations), or their agencies (collectively, **Sanctions**).

Sanctions may be imposed among others on foreign governments, state-owned enterprises, sovereign wealth funds, specified companies or economic sectors, as well as non-state actors or designated persons associated with any of the foregoing. Sanctions may take different forms, including but not limited to trade embargoes, prohibitions or restrictions to conduct trade or provide services to targeted countries or entities, as well as seizures, asset freezes and/or the prohibition to provide or receive funds, goods or services to or from designated persons.

Sanctions may adversely affect companies or economic sectors in which the Fund, or any of its Sub-Funds, may from time to time invest. The Fund could experience, among others, a decrease in value of securities of any issuer due to the imposition of Sanctions, whether directed towards such issuer, an economic sector in which such issuer is active, other companies or entities with which such issuer conducts business, or towards the financial system of a certain country. Because of Sanctions, the Fund may be forced to sell certain securities at unattractive prices, at inopportune moments and/or in unfavourable circumstances where it may not have done so in the absence of Sanctions. Even though the Fund will make reasonable efforts, acting in the best interest of the investors, to sell such securities under optimal conditions, such forced sales could potentially result in losses for the Sub-Funds concerned. Depending on the circumstances, such losses could be considerable. The Fund may also experience adverse consequences due to an asset freeze or other restrictive measures directed at other companies, including but not limited to any entity that serves as a counterparty to derivatives, or as a sub-custodian, paying agent or other service provider to the Fund or any of its Sub-Funds. The imposition of Sanctions may require the Fund to sell securities, terminate ongoing agreements, lose access to certain markets or essential market infrastructure, cause some or all of a Sub-Fund's assets to become unavailable, freeze cash or other assets belonging to the Fund and/or adversely affect the cash flows associated with any investment or transaction.

The Fund, the Management Company, the Depositary, the UCI Administrator (collectively, the **Fund Parties**) are required to comply with all applicable sanctions laws and regulations in the countries in which the Fund Parties conduct business (recognizing that certain of the sanctions regimes have implications for cross-border or foreign activities) and will implement the necessary policies and procedures to this effect (collectively, **Sanctions Policies**). These Sanctions Policies will be developed by the Fund Parties in their discretion and best judgment and may involve protective or preventive measures that go beyond the strict requirements of applicable laws and regulations imposing any Sanctions. Under no circumstances will the Fund Parties be liable for any losses suffered by the Fund or any of its Sub-Funds because of the imposition of Sanctions, or from their compliance with any Sanctions Policies.

Taxation

The proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source.

It is possible that the tax law (and/or the current interpretation of the law) as well as the practice in countries, into which the Sub-Funds invest or may invest in the future, might change. As a result, the Fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

FATCA

The Fund may be subject to regulations imposed by foreign regulators, in particular FATCA. FATCA provisions generally impose a reporting to the U.S. Internal Revenue Service of non-U.S. financial institutions that do not comply with FATCA and U.S. persons' (within the meaning of FATCA) direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

Under the terms of FATCA, the Fund will be treated as a Foreign Financial Institution (within the meaning of FATCA). As such, the Management Company may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement (**IGA**) with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the **FATCA Law**).

Under the FATCA Law and the IGA, the Management Company may be required to collect information aiming to identify its direct and indirect Unitholders that are Specified US Persons for FATCA purposes (**FATCA reportable accounts**).

Any such information on FATCA reportable accounts provided to the Management Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

To be deemed FATCA and FATCA Law compliant, the Fund intends to comply with the provisions of the IGA and should therefore not be subject to the 30% withholding tax with respect to its Unit of any such payments attributable to actual and deemed U.S investments of the Fund. The Management Company will continually assess the extent of the requirements that FATCA and notably FATCA Law place upon it.

Should the Fund become subject to a withholding tax as a result of FATCA, the value of the Units held by all Unitholders may be materially affected. The Fund and/or its Unitholders may also be indirectly affected by the fact that a non U.S. financial entity does not comply with FATCA regulations even if the Fund satisfies with its own FATCA obligations.

To ensure the Fund's compliance with FATCA, the FATCA Law and the IGA in accordance with the foregoing, the Management Company, in its capacity as the Fund's Management Company, may:

- request information or documentation, including but not limited to W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Unitholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Unitholder's FATCA status and to comply with applicable laws and regulations and/or to promptly determine the amount of withholding to be retained;

- report information concerning a Unitholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;

- provide information to the Luxembourg tax authorities (*Administration des Contributions Directes)* concerning payments to Unitholders with FATCA status of a non-participating foreign financial institution;

- deduct applicable US withholding taxes from certain payments made to a Unitholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and

- divulge any such personal information to any tax authority, as may be required by applicable laws or regulations or requested by such authority.

The Management Company acting on behalf of the Fund reserves the right to refuse any application for Units if the information provided by potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

Common Reporting Standard

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

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

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

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

The term Controlling Person means in the present context any natural persons who exercise control over an entity. In the case of a trust it means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, persons in equivalent or similar positions. The term Controlling Person must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

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

Similarly, the Unitholders undertake to inform the Fund respectively the Management Company or any third party designated by the Management Company within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Unitholders further undertake to immediately inform of, and provide the Fund respectively the Management Company or any third party designated by the Management Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Unitholder that fails to comply with the Management Company's or designated party's Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such Unitholder's failure to provide the Information.

## 9. Net Asset Value

Unless otherwise specified in Chapter 20, Sub-Funds, the Net Asset Value of the Units in each Sub-Fund shall be calculated in the Reference Currency of the respective Sub-Fund and shall be determined by the Management Company in Luxembourg on each Banking Day (each such day being referred to as a **Valuation Day**).

In case the Valuation Day is not a full Banking Day in Luxembourg, the Net Asset Value of that Valuation Day will be calculated on the next following Banking Day. If a Valuation Day falls on a day which is a holiday in countries whose stock exchanges or other markets are decisive for valuing the majority of a Sub-Fund's assets, the Management Company may decide, by way of exception, that the Net Asset Value of the Units in this Sub-Fund will not be determined on such days.

For determining the Net Asset Value, the assets and liabilities of the Fund shall be allocated to the Sub-Funds (and to the individual Classes of Units within each Sub-Fund), and the calculation is carried out by dividing the Net Asset Value of the Sub-Fund by the total number of Units outstanding for the relevant Sub-Fund or the relevant Class of Units. If the Sub-Fund in question has more than one Class of Units, that portion of the Net Asset Value of the Sub-Fund attributable to the particular Class of Units will be divided by the number of issued Units of that Class of Units.

The Net Asset Value of an Alternate Currency Class of Units shall be calculated first in the Reference Currency of the relevant Sub-Fund.

The Net Asset Value of the Alternate Currency Class of Units will in particular reflect the costs and expenses incurred for the currency conversion in connection with the subscription, redemption or conversion of the relevant Class of Units and for hedging the currency risk.

Unless otherwise specified in Chapter 20, Sub-Funds, the assets of each Sub-Fund shall be valued as follows:

a) Securities which are listed or regularly traded on a stock exchange shall be valued at the last available traded price. If such a price is not available for a particular trading day, the closing mid-price (the mean of the closing bid and ask prices), or alternatively the closing bid price, may be taken as a basis for the valuation.

b) If a security is traded on several stock exchanges, the valuation shall be made by reference to the exchange which is the main market for this security.

c) In the case of securities for which trading on a stock exchange is not significant but which are traded on a secondary market with regulated trading among securities dealers (with the effect that the price reflects market conditions), the valuation may be based on this secondary market.

d) Securities traded on a regulated market shall be valued in the same way as those listed on a stock exchange.

e) Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price. If no such price is available, the Management Company shall value these securities in accordance with other criteria to be established by the Management Company and on the basis of the probable sales price, the value of which shall be estimated with due care and in good faith.

f) Derivatives shall be treated in accordance with the above. OTC swap transactions will be valued on a consistent basis on bid, offer or mid prices as determined in good faith pursuant to procedures established by the Management Company on behalf of the Fund. When deciding whether to use the bid, offer or mid prices the Management Company will take into consideration the anticipated subscription or redemption flows, among other parameters. If, in the opinion of the Management Company, such values do not reflect the fair market value of the relevant OTC swap transactions, the value of such OTC swap transactions will be determined in good faith by the Management Company, or by such offer method as it deems in its discretion appropriate.

g) The valuation price of a money market instrument which has a maturity or remaining term to maturity of less than 12 months and does not have any specific sensitivity to market parameters, including credit risk, shall, based on the net acquisition price or on the price at the time when the investment's remaining term to maturity falls below 12 months, be progressively adjusted to the repayment price while keeping the resulting

investment return constant. In the event of a significant change in market conditions, the basis for the valuation of different investments shall be brought into line with the new market yields.

h) Units or shares of UCITS or UCI shall be valued on the basis of their most recently calculated net asset value, where necessary by taking due account of the redemption fee. Where no net asset value and only buy and sell prices are available for units or shares of UCITS or other UCI, the units or shares of such UCITS or other UCIs may be valued at the mean of such buy and sell prices.

i) The value of credit default swaps is calculated on a regular basis using comprehensible, transparent criteria. The Management Company and the Independent Auditor shall monitor the comprehensibility and transparency of the valuation methods and their application.

j) Liquid assets, fiduciary and fixed-term deposits shall be valued at their respective nominal value plus accrued interest.

The amounts resulting from such valuations shall be converted into the Reference Currency of each Sub-Fund at those rates, which are determined on any Valuation Day at 5 p.m. (Central European Time).

Foreign exchange transactions conducted for the purpose of hedging currency risks shall be taken into consideration when carrying out this conversion.

Furthermore, if specific techniques are employed for specific Classes of Units for the purpose of hedging or other risk management purposes the profit and loss amounts resulting from such transactions and the related costs shall be allocated solely to such Classes of Units.

If a valuation in accordance with the above rules is rendered impossible or incorrect due to particular or changed circumstances, the Management Company shall be entitled to use other generally recognized and auditable valuation principles in order to reach a proper valuation of the Sub-Fund's assets.

The Net Asset Value of a Unit shall be rounded up or down, as the case may be, to the next smallest unit of the Reference Currency which is currently used unless otherwise specified in Chapter 20, Sub-Funds.

The Net Asset Value of one or more Sub-Funds may also be converted into other currencies at those rates, which are determined on any Valuation Day at 5 p.m. (Central European Time), should the Management Company decide to effect the issue and redemption of Units in one or more other currencies. Should the Management Company determine such currencies, the Net Asset Value of the respective Units in these currencies shall be rounded up or down to the next smallest unit of currency.

In exceptional circumstances, further valuations may be carried out on the same day; such valuations will be valid for any applications for subscription and/or redemption subsequently received.

The total Net Asset Value of the Fund shall be calculated in Fund's Reference Currency.

## 10. Expenses and Taxes

Tax Status

The following information is based on the laws, regulations, decisions and practices currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein, possibly with retrospective effect.

This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold or dispose of Units and is not intended 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 Units 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.

The following is based on the Management Company's understanding of certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

Taxation of the Fund

The Fund is not subject to any taxes in Luxembourg in income or capital gains.

The Fund's assets are subject to a tax (*taxe d'abonnement*) in the Grand Duchy of Luxembourg of 0.05% per annum based on its net asset value at the end of the relevant quarter and payable quarterly.
A reduced subscription tax rate (*taxe d'abonnement)* of 0.01% per annum is applicable to:

- individual Sub-Funds the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;

- individual Sub-Funds the exclusive object of which is the collective investment in deposits with credit institutions; and,

- individual Sub-Funds as well as for individual Classes of Units, provided that the Shares of such Sub-Fund or Class of Units are reserved to one or more institutional investors (defined as investors referred to in Article 174, para. 2, lit. c) of the Law of December 17, 2010 and meeting the conditions resulting from the Luxembourg regulator's administrative practice).

The Net Asset Value of each Sub-Fund at the end of each quarter is taken as the basis for calculation.

Subscription tax exemption applies to:

- the value of the assets of a Sub-Fund represented by units or shares held in other UCIs, provided such units or shares have already been
  subject to the subscription tax;

- individual Sub-Funds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective
  investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency; and

- Sub-Funds or dedicated classes reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees.

Withholding tax

Under current Luxembourg tax law, there is no tax on any distribution, redemption or payment made by the Fund to its Unitholders. There is also no withholding tax on the distribution of liquidation proceeds to the Unitholders.

Dividends, interest, income and gains received by the Fund on its investments may be subject to non-recoverable withholding tax or other taxes in the countries of origin.

Taxation of the Unitholders

From a Luxembourg tax perspective, the Fund as a co-ownership between the investors without legal personality, is in principle fully tax transparent. Unitholders will be subject to tax on the income and capital gains derived from the investment in accordance with the laws in force in their country of residence.

Under current legislation, Unitholders are not subject to any capital gains, income or withholding tax in Luxembourg except for those domiciled, resident or having a permanent establishment in Luxembourg.

As a matter of administrative practice, capital gains derived from the Fund are not subject to tax if realised at least 6 months after the subscription or purchase of the Units and provided that the investment in the Fund does

not represent a substantial holding, unless the Unitholder claims the strict application of the tax transparency of the Fund and will be regarded as having realized the profits and losses on the underlying investment in the Fund. The Unitholders are deemed realizing themselves the profits and losses of the Fund at the time the Fund realizes them. Distributions of the Fund will be subject to income tax.

Non- Luxembourg residents are not subject to any capital gains, income or withholding tax unless not protected by a tax treaty, who hold through the Fund more than 10% of a Luxembourg company and have their Units in the Fund redeemed less than 6 months after subscription of the Units in the Fund.

The Fund collects the income generated after deduction of any withholding tax in the relevant countries. From a Luxembourg tax perspective, any potential entitlement to reduction in the rate of applicable withholding taxes depends on the status of the Unitholders, as the Fund is a co-ownership between the Unitholders. Where a Unitholder is exempt from tax in his/her/its country of residence, or is eligible for treaty relief under a double tax treaty concluded between his/her/its country of residence and the country where the security is located, it may be possible to obtain a full or partial refund of his/her/its proportionate share of the withholding tax suffered by the Fund.

This Prospectus does not attempt to summarise the tax consequences of subscribing, holding, converting, redeeming or otherwise acquiring or disposing of Units and/or of receiving dividends in respect of Units of the Fund. The tax consequences will vary for each investor in accordance with the laws and practices currently in force in an investor's country of citizenship, residence or temporary domicile, and in accordance with his or her personal circumstances.

Prospective investors should therefore ensure they are fully informed in this respect and are advised to consult a lawyer, bank manager, or other financial advisor in relation to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the law of the country(ies) of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion, redemption or disposal of Units.

Certain U.S. Regulatory and Tax Matters – Foreign Account Tax Compliance

Capitalized terms used in this section should have the meaning as set forth in the Luxembourg amended law dated 24 July 2015 (the **FATCA Law**), unless provided otherwise herein.

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (commonly known as **FATCA**) generally impose a new reporting regime and potentially a 30% withholding tax with respect to (i) certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends (**Withholdable Payments**) and (ii) a portion of certain non-US source payments from non-US entities that have not entered into FFI Agreements (as defined below) to the extent attributable to Withholdable Payments (**Passthru Payments**). As a general matter, the new rules are designed to require US Persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the US Internal Revenue Service (the **IRS**). The 30% withholding tax regime applies if there is a failure to provide required information regarding US ownership.

Generally, the new rules will subject all Withholdable Payments and Passthru Payments received by the Fund to 30% withholding tax (including the share that is allocable to Non-US Investors) unless the Management Company, acting on behalf of the Fund, enters into an agreement (a **FFI Agreement**) with the IRS to provide information, representations and waivers of non-US law (including any waivers relating to data protection) as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect US accountholders, or otherwise qualifies for an exemption, including an exemption under an intergovernmental agreement (or **IGA**) between the United States and a country in which the non-US entity is resident or otherwise has a relevant presence.

The governments of Luxembourg and the United States have entered into an IGA regarding FATCA. Provided the Fund adheres to any applicable terms of the IGA, the Fund will not be subject to withholding or generally required to withhold amounts on payments it makes under FATCA.

Additionally, the Management Company will not have to enter, on behalf of the Fund, into an FFI agreement with the IRS and instead will be required to obtain information regarding its Unitholders and to report such information to the Luxembourg government, which, in turn, will report such information to the IRS.

Any tax caused by a Unitholder's failure to comply with FATCA will be borne by such Unitholder.

Each prospective investor and each Unitholder should consult its own tax advisors regarding the requirements under FATCA with respect to its own situation.

Each Unitholder and each transferee of a Unitholder's interest in any Sub-Fund shall furnish (including by way of updates) to the Management Fund , or any third party designated by the Management Company (a **Designated Third Party**), in such form and at such time as is reasonably requested by the Management Company (including by way of electronic certification) any information, representations, waivers and forms relating to the Unitholder (or the Unitholder's direct or indirect owners or account holders) as shall reasonably be requested by the Management Company or the Designated Third Party to assist it in obtaining any exemption, reduction or refund of any withholding or other taxes imposed by any taxing authority or other governmental agency (including withholding taxes imposed pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement, or any agreement entered into pursuant to any such legislation or intergovernmental agreement) upon the Fund, amounts paid to the Fund, or amounts allocable or distributable by the Management Company on behalf of the Fund to such Unitholder or transferee.

In the event that any Unitholder or transferee of a Unitholder's interest fails to furnish such information, representations, waivers or forms to the Management Company or the Designated Third Party, the Management Company or the Designated Third Party shall have full authority to take any and all of the following actions: (i) withhold any taxes required to be withheld pursuant to any applicable legislation, regulations, rules or agreements; (ii) redeem the Unitholder's or transferee's interest in any Sub-Fund, and (iii) form and operate an investment vehicle organized in the United States that is treated as a “domestic partnership” for purposes of section 7701 of the Internal Revenue Code of 1986, as amended and transfer such Unitholder's or transferee's interest in any Sub-Fund or interest in such Sub-Fund assets and liabilities to such investment vehicle.

If requested by the Management Company on behalf of the Fund or the Designated Third Party, the Unitholder or transferee shall execute any and all documents, opinions, instruments and certificates as the Management Company or the Designated Third Party shall have reasonably requested or that are otherwise required to effectuate the foregoing. Each Unitholder hereby grants to the Management Company or the Designated Third Party a power of attorney, coupled with an interest, to execute any such documents, opinions, instruments or certificates on behalf of the Unitholder, if the Unitholder fails to do so.

Data Protection Information in the Context of FATCA Processing

In accordance with the FATCA Law, Luxembourg Financial Institutions (**FI**) are required to report to the Luxembourg tax authority (i.e. Administration des Contributions Directes, the **Luxembourg Tax Authority**) information regarding reportable persons such as defined in the FATCA Law.

The Fund is considered a sponsored entity and as such as a non-reporting Luxembourg financial institution and shall be treated as deemed compliant foreign FI as foreseen by FATCA. The Management Company is the data controller and processes personal data of Unitholders and Controlling Persons as reportable persons for FATCA purposes.

The Management Company processes personal data concerning Unitholders or their Controlling Persons for the purpose of complying with the Management Company’s legal obligations under the FATCA Law. These personal data include the name, date and place of birth, address, U.S. tax identification number, the country of tax residence and residence address, the phone number, the account number (or functional equivalent), the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Unitholder with respect to the account, standing instructions to transfer funds to an account maintained in the United States, and any other relevant information

in relation to the Unitholders or their Controlling Persons for the purposes of the FATCA Law (the **FATCA Personal Data**).

The FATCA Personal Data will be reported by the Management Company or the UCI Administrator, as applicable, to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the FATCA Personal Data to the IRS in application of the FATCA Law.

In particular, Unitholders and Controlling Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg Tax Authority.

FATCA Personal Data may also be processed by the Management Company's data processors (**Processors**) which, in the context of FATCA processing, may include the UCI Administrator.

The Management Company's ability to satisfy its reporting obligations under the FATCA Law will depend on each Unitholder or Controlling Person providing the Management Company with the FATCA Personal Data, including information regarding direct or indirect owners of each Unitholder, along with the required supporting documentary evidence. Upon request of the Management Company, each Unitholder or Controlling Person must provide the Management Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

Although the Management Company will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the FATCA Law, no assurance can be given that the Management Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the FATCA Law, the value of the Units may suffer material losses.

Any Unitholder or Controlling Person that fails to comply with the Management Company's documentation requests may be charged with any taxes and penalties of the FATCA law imposed on the Fund (inter alia: withholding under section 1471 of the U.S. Internal Revenue Code, a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Unitholder's or Controlling Person's failure to provide the information and the Management Company may, in its sole discretion, redeem the Units of such Unitholders.

Unitholders and Controlling Persons should consult their own tax advisor or otherwise seek professional advice regarding the impact of the FATCA Law on their investment.

FATCA Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Management Company to the investors.

Automatic Exchange of Information

Capitalized terms used in this section should have the meaning as set forth in the Luxembourg law dated 18 December 2015 (the **CRS Law**), unless provided otherwise herein.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States (the **DAC Directive**). The adoption of the aforementioned directive implements the OECD's CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

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

Under the terms of the CRS-Law, the Management Company, acting on behalf of the Fund, may be required to annually report to the Luxembourg tax authority the name, address, state(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an account holder, ii) and, in the case of a Passive

NFE within the meaning of the CRS-Law, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the Luxembourg tax authority to foreign tax authorities.

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

Although the Management Company, acting on behalf of the Fund, will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the CRS-Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a tax or penalty as result of the CRS-Law, the value of the Units may suffer material losses.

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

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

Data Protection Information in the Context of CRS Processing

In accordance with the CRS Law, Luxembourg Financial Institutions (**FI**) are required to report to the Luxembourg Tax Authority information regarding Reportable Persons such as defined in the CRS Law.

As Luxembourg Reporting FI, the Fund is the data controller and processes personal data of Unitholders and Controlling Persons as Reportable Persons for the purposes set out in the CRS Law.

In this context, the Management Company may be required to report to the Luxembourg Tax Authority the name, residence address, TIN(s), the date and place of birth, the country of tax residence(s), the phone number, the account number (or functional equivalent), standing instructions to transfer funds to an account maintained in a foreign jurisdiction, the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Unitholder with respect to the account, as well as any other information required by applicable laws of i) each Reportable Person that is an account holder, ii) and, in the case of a Passive NFE within the meaning of the CRS Law, of each Controlling Person that is a Reportable Person (the **CRS Personal Data**).

CRS Personal Data regarding the Unitholders or the Controlling Persons will be reported by the Reporting FI to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the CRS Personal Data to the competent tax authorities of one or more Reportable Jurisdiction(s). The Management Company processes the CRS Personal Data regarding the Unitholders or the Controlling Persons only for the purpose of complying with the Management Company's legal obligations under the CRS Law.
In particular, Unitholders and Controlling Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg Tax Authority.

CRS Personal Data may also be processed by the Management Company's data processors (**Processors**) which, in the context of CRS processing, may include the UCI Administrator.

The Management Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Unitholder or Controlling Person providing the Management Company with the CRS Personal Data, including information regarding direct or indirect owners of each Unitholder, along with the required supporting documentary evidence. Upon request of the Management Company, each Unitholder or Controlling Person must provide the Management Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

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

Any Unitholder or Controlling Person that fails to comply with the Management Company's documentation requests may be charged with any taxes and penalties of the CRS Law imposed on the Fund (inter alia: a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Unitholder's or Controlling Person's failure to provide the information and the Management Company may, in its sole discretion, redeem the Units of such Unitholder.

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

CRS Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Management Company to the investors.

Expenses

Apart from the above *taxe d'abonnement*, the Fund shall bear the costs specified below, unless otherwise stated in Chapter 20, Sub-Funds:

a) All taxes which may be payable on the assets, income and expenses chargeable to the Fund;

b) Standard brokerage and bank charges incurred by the Fund through securities transactions in relation to the portfolio (these charges shall be included in the acquisition cost of such securities and deducted from the sale proceeds);

c) A monthly management fee (the **Management Fee**) which includes the Management Company fees and the Distributors fees. The Management Fee is payable at the beginning of each following month, based on the average Net Asset Value of the relevant Class of Units during that month. The Management Fee may be charged at different rates for individual Sub-Funds and Classes of Units within a Sub-Fund or may be waived in full or partially. Further details of the Management Fee are included in Chapter 2, Buy & Hold Luxembourg – Summary of Classes of Units. Distributors may be paid out of the Management Fee of the Sub-Fund as set out in Chapter 20, Sub-Funds;

d) A monthly UCI Administrator fee for the UCI Administrator, calculated on the average Net Asset Value of the relevant Class of Units during that month and payable at the beginning of the next following month. The UCI Administrator fee may be charged at different rates for individual Sub-Funds and Classes of Units within a Sub-Fund or may even be waived. Further details of the UCI Administrator fee may be found in Chapter 2, Buy & Hold Luxembourg – Summary of Classes of Units;

e) In addition to the monthly UCI Administrator fee, the UCI Administrator is entitled to an annual fee to be paid out of the net assets of the relevant Sub-Fund for its services as registrar and transfer agent, as specified in Chapter 2, Buy & Hold Luxembourg–- Summary of Classes of Units;

f) Fees payable to the Depositary, which are charged at rates agreed from time to time with the Management Company on the basis of usual market rates prevailing in Luxembourg. In addition, the Depositary is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements, including, but not limited to, taxes, duties, charges and broker fees, whether existing now or imposed in the future and which are paid by the Depositary or for which the Depositary may be held liable and for the charges of any correspondents. Further details of the Depositary fee may be found in Chapter 2, Buy & Hold Luxembourg - Summary of Classes of Units.

g) Fees payable to the paying agents (in particular, a coupon payment commission), transfer agents and the authorised representatives in the countries of registration;

h) All other charges incurred for sales activities and other services rendered to the Fund but not mentioned in the present section; for certain Classes of Units, these fees may be borne in full or in part by the Management Company;

i) Fees incurred for collateral management in relation to derivative transactions;

j) Expenses, including those for legal advice, which may be incurred by the Management Company or the Depositary through measures taken on behalf of the Unitholders;

k) The cost of preparing, depositing and publishing the Management Regulations and other documents in respect of the Fund, including notifications for registration, Key Information Documents, prospectuses or memoranda for all government authorities and stock exchanges (including local securities dealers' associations) which are required in connection with the Fund or with offering the Units; the cost of printing and distributing annual and semi-annual reports for the Unitholders in all required languages, together with the cost of printing and distributing all other reports and documents which are required by the relevant legislation or regulations of the above-mentioned authorities; the cost of book-keeping and calculating the daily Net Asset Value, the cost of notifications to Unitholders including the publication of prices for the Unitholders, the fees and costs of the Fund's auditors and legal advisers, and all other similar administrative expenses, and other expenses directly incurred in connection with the offer and sale of Units, including the cost of printing copies of the aforementioned documents or reports as are used in marketing the Fund Units. The cost of advertising may also be charged.

Performance Fee

In addition to the aforementioned costs, the respective Sub-Fund will, if applicable, also bear a performance fee (Performance Fee) as specified for the relevant Sub-Fund in Chapter 20, Sub-Funds and Chapter 2, Buy & Hold Luxembourg–- Summary of Classes of Units.

General Information

All recurring fees shall first be deducted from investment income, then from the gains from securities transactions and then from the Fund's assets. Other non-recurring fees, such as the costs for establishing new Sub-Funds or Classes of Units, may be written off over a period of up to five years. The costs attributable to the individual Sub-Funds shall be allocated directly to them; otherwise the costs shall be divided among the individual Sub-Funds in proportion to the Net Asset Value of each Sub-Fund.

## 11. Accounting Year

The accounting year of the Fund starts on January 1st, each year and ends on December 31st of the same year, both days included. The first accounting year started on the date of the launch of the Fund and ended on December 31st 2020. The first unaudited semi-annual report was issued as of June 30th 2020, the first annual report was issued as of December, 31st 2020.

## 12. Appropriation of the Net Income and Capital Gains

Capital-growth Units

At present, no distribution is envisaged for the capital-growth Classes of Units of the Sub-Funds, and the income generated shall be used to increase the Net Asset Value of the Units after deduction of general costs (capital growth).

However, the Management Company may, in accordance with the income appropriation policy as determined by the Board of Directors, distribute from time to time, in whole or in part, ordinary net income and/or realised capital gains as well as all non-recurring income, after deduction of realized capital losses.

Distribution Units

The Management Company decides what distribution shall be made from the net investment income attributable to each distribution Class of Units of each Sub-Fund. In addition, gains made on the sale of assets belonging to the Fund may be distributed to investors. Further distributions may be made from the Fund's assets in order to achieve an appropriate distribution ratio.

In the event of a distribution, this may take place on an annual basis or at any other intervals determined by the Management Company and as specified in Chapter 20, Sub-Funds.

General Information

Payment of income distributions shall be made in the manner described in Chapter 5, Investment in Buy & Hold Luxembourg, section 5.3, "Redemption of Units" and Chapter 20, Sub-Funds, if applicable.

Claims for distributions which are not made within five (5) years shall lapse and the assets involved shall revert to the respective Sub-Fund.

## 13. Lifetime, Liquidation and Merger

The Fund and the Sub-Funds have been established for an unlimited period, unless otherwise specified for the relevant Sub-Fund in Chapter 20, Sub-Funds.

Unitholders, their heirs or other beneficiaries may not request the division or liquidation of the Fund or of one of the Sub-Funds.

However, the Management Company may at any time, terminate the Fund and dissolve individual Sub-Funds or individual Classes of Units. A decision to liquidate the Fund shall be published on the *Recueil électronique des Sociétés et Associations* (RESA) and shall also be published and/or communicated to Unitholders as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Units are distributed. Any decision to dissolve a Sub-Fund shall be published in accordance with Chapter 14, Information for Unitholders. From the day the decision to liquidate is taken by the Management Company, no further Units shall be issued. However, unless otherwise decided by the Management Company, Units may still be redeemed provided equal treatment of Unitholders can be ensured. At the same time, a provision shall be made for all identifiable outstanding expenses and fees.

In case of liquidation of the Fund or a Sub-Fund, the Management Company shall dispose of the Fund's assets in the best interests of the Unitholders and shall instruct the Depositary to distribute the net liquidation proceeds (after deduction of liquidation costs) proportionately to the Unitholders.

If the Management Company liquidates a Class of Units without terminating the Fund or a Sub-Fund, it must redeem all Units of such Class of Units at their then current Net Asset Value. Notice of redemption shall be published by the Management Company or notified to the Unitholders when permitted under Luxembourg laws and regulations, and the redemption proceeds shall be paid to the former Unitholders in the respective currency by the Depositary or local paying agents.

Any liquidation and redemption proceeds that cannot be distributed to the Unitholders at the closure of the liquidation shall be deposited with the *Caisse de Consignation* in Luxembourg until the statutory period of limitation has elapsed.

Furthermore, the Management Company may in accordance with the definitions and conditions set out in the Law of December 17, 2010 decide to merge any Sub-Fund , either as receiving or merging Sub-Fund, with one or more Sub-Funds of the Fund by converting the Class of Units or Classes of Units of one or more Sub-Funds into the Class of Units or Classes of Units of another Sub-Fund of the Fund. In such cases, the rights attaching to the various Classes of Units shall be determined by reference to the respective Net Asset Value of the respective Classes of Units on the effective date of such merger.

Moreover, the Management Company may decide to merge the Fund or any of its Sub-Funds, either as merging UCITS or as a receiving UCITS on a cross-border and domestic basis in accordance with the definitions and conditions set out in the Law of December 17, 2010 and the Directive 2009/65/EC.

Mergers shall be announced at least thirty (30) days in advance in order to enable Unitholders to request the redemption or conversion of their Units free of charge.

## 14. Information for Unitholders

Information about the launch of new Sub-Funds may be obtained from the Management Company and the Distributors on behalf of the Fund.

The audited annual reports shall be made available to Unitholders free of charge at the registered office of the Management Company, Depositary, local paying agent and Distributors, within four (4) months of the close of each accounting year. Unaudited semi-annual reports shall be made available in the same way within two (2) months of the end of the accounting period to which they refer.

Other information regarding the Fund, as well as the issue and redemption prices of the Units, may be obtained on any Banking Day at the registered office of the Management Company.

The Net Asset Value is published daily on the internet at https://www.buyandhold.es/.

All announcements to Unitholders, including any information relating to a suspension of the calculation of the Net Asset Value, shall, if required, be published and/or communicated to Unitholders as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Units are distributed.

The Management Company may place announcements on the *Recueil électronique des Sociétés et Associations* (RESA), in the "Luxemburger Wort" or in other newspapers and periodicals of its choice.

Investors may obtain the Prospectus, the Key Information Document, the latest annual and semi-annual reports and copies of the Management Regulations free of charge from the registered office of the Management Company. The relevant contractual agreements as well as the Management Company's articles of incorporation are available for inspection at the registered office of the Management Company during normal business hours.

## 15. Management Company

Buy & Hold Capital SGIIC S.A, was incorporated in Spain on 21 September 2012, as a limited company for an indefinite period. On 11 May 2017, the general meeting of shareholders of the Management Company agreed to transform it into a public limited company as well as into a collective investment undertakings management company "Sociedad Gestora de Instituciones de Inversion Colectiva" (SGIIC) for an indefinite period and its articles of incorporation are deposited with the Spanish Trade and Companies Register. The Management Company is approved as a management company regulated by the Spanish Law 35/2003.

The Management Company acts as the management company of the Fund under the freedom to provide services organised by the UCITS Directive. In accordance with the relevant provisions of the Law of December 17, 2010, the Management Company will be required to comply with the CNMV Rules (being the rules of the Management Company's 'home member state' for the purposes of the Law of December 17, 2010) in relation to the organisation of the Management Company, including its delegation arrangements, risk management procedures, prudential rules and supervision, applicable prudential rules regarding the Management Company's management of UCITS authorised under the UCITS Directive and the Management Fund's reporting requirements. The Management Company shall comply with the Law of December 17, 2010 as regards the constitution and functioning of the Fund.

The equity capital of the Management Company amounts to EUR 2.649619,92 at December 31st 2024.

The board of directors of the Management Company shall have plenary powers on behalf of the Management Company and shall cause and undertake all such actions and provisions which are necessary in pursuit of the Management Company's objective, particularly in relation to the management of the Fund's assets, administration and distribution of Units.

The board of directors of the Management Company is currently composed of the members listed in Chapter 20, Main Parties.

The Management Company will not delegate the investment management functions which will be carried out internally within the Management Company.

The Management Company has appointed an independent auditor. At present, this function is performed by Ernst & Young Société Anonyme.

As of the date of this Prospectus, in addition to the Fund, the Management Company also manages other undertakings for collective investment, as described below:

- B&H Acciones FI
- B&H Flexible FI
- B&H Renta Fija FI
- B&H Deuda FI

## 16. Depositary

The Fund has appointed Cecabank, S.A., Branch in Luxembourg as its Depositary within the meaning of the Law of December 17, 2010 and the Commission Delegated Regulation (EU) 2016/438, as amended, supplementing the UCITS Directive (UCITS Level II Regulation), pursuant to the Depositary and Paying Agent Agreement effective as of the 9th January, 2026.

The Fund has also appointed the Depositary as Paying Agent.

The Depositary is a Luxembourg established branch of Cecabank, S.A., a Spanish public limited company (sociedad anónima) , having its registered office in Calle Alcalá, 27, 28014 Madrid, Spain, registered with the Spanish Trade Register under number A86436011. Cecabank, S.A., Branch in Luxembourg has its place of business at 6, Rue Eugéne Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés) (the "**RCS**") under number B291773 and with the CSSF under number B00000429.

Depositary duties

The relationship between the Fund, the Management Company and the Depositary is subject to the terms of the Depositary and Paying Agent Agreement. Pursuant to the Depositary and Paying Agent Agreement, the Depositary has been appointed for the safekeeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Fund as well as to ensure the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the Law of December 17, 2010 and the Depositary and Paying Agent Agreement. Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the Law of December 17, 2010.

In addition, the Depositary shall also ensure that:

(i) the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with Luxembourg law and the Management Regulations,
(ii) the value of the units is calculated in accordance with Luxembourg law and the Management Regulations,
(iii) the instructions of the Management Company or the Fund are carried out, unless they conflict with applicable Luxembourg law and/or the Management Regulations,
(iv) in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits, and
(v) the Fund's income is applied in accordance with Luxembourg law and/or the Management Regulations.

The Depositary shall assume its duties and responsibilities in accordance with the provisions of the Law of December 17, 2010. The Depositary must act honestly, fairly, professionally, independently and solely in the interest of the Fund and its unitholders.

Delegation and conflict of interests

In compliance with the provisions of the Depositary and Paying Agent Agreement and the Law of December 17, 2010, the Depositary may, subject to certain conditions, delegate part or all of its safekeeping duties in relation to financial instruments that can be held in custody to sub-custodian(s) (including of its parent company, Cecabank, S.A.), as they are appointed by the Depositary from time to time.

Prior to the appointment of any sub-custodian and on an ongoing basis pursuant to applicable laws and regulations as well as its conflict of interests policy, the Depositary shall assess potential conflicts of interests that may arise from the delegation of safekeeping functions. The Depositary is the Luxembourg established branch of Cecabank, S.A. and the Depositary may delegate certain functions to Cecabank S.A. as sub-custodian. Irrespective of whether a given sub-custodian could be Cecabank, S.A. or not, the Depositary shall exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant sub-custodian. Furthermore, the conditions of any appointment of a sub-custodian that could also be Cecabank, S.A., shall be negotiated at arm's length in order to ensure the protection of interests of the Fund and its unitholder. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to the unitholders of the Fund. An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of these delegates can be found on the following webpage: https://www.cecabank.es/eng/sucursal-en-luxemburgo/.

Liability

The Depositary is liable to the Fund and its unitholders for the loss of a financial instrument held in custody (such financial instruments as defined in article 34(3)(a) of the Law of December 17, 2010 as well as article 12 of the UCITS Level II Regulation, and hereinafter defined as the "**Fund Custodial Assets**") by the Depositary and/or a sub-custodian in accordance with article 35 of the Law of December 17, 2010 (the "**Loss of a Fund Custodial Asset**").

In case of Loss of a Fund Custodial Asset, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the Law of December 17, 2010, the Depositary shall not be liable for the Loss of a Fund Custodial Asset, if such Loss of a Fund Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall also be liable to the Fund and to the unitholders for all other direct losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance the Law of December 17, 2010.

The Depositary's liability shall not be affected by any delegation, unless otherwise stipulated in the Law of December 17, 2010.

Fees

The Depositary is entitled to receive a remuneration for its services as agreed in the Depositary and Paying Agent Agreement. In addition, the Depositary is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements, including, but not limited to, taxes, duties, charges and broker fees, whether existing now or imposed in the future and which are paid by the Depositary or for which the Depositary may be held liable and for the charges of any correspondents.

Depositary's independence from the Fund

The Depositary is not involved, directly or indirectly, with the business affairs, organisation or management of the Fund and is not responsible for the content of this document and thus accepts no responsibility for the accuracy of any information contained herein or the validity of the structure and investments of the Fund. The Depositary has no decision-making discretion nor any advice duty relating to the Fund's investments and is

prohibited from meddling in the management of the Fund's investments. The Depositary does not have any investment decision-making role in relation to the Fund.

Data protection

Information about a potential processing of investors' data by the Depositary may be found at https://www.cecabank.es/eng/sucursal-en-luxemburgo/ and in the Depositary and Paying Agent Agreement,

## 17. UCI Administrator

The Management Company has delegated the UCI administrator tasks of the Fund to ADEPA Asset Management S.A., pursuant to a central administration services agreement entered into by the Fund represented by the Management Company and ADEPA Asset Management S.A.

ADEPA Asset Management S.A. will be responsible, without limitation for the performance of the NAV calculation and accounting, registrar and client communication function and, inter alia, for the safe keeping of the register of the Unitholders, the processing of subscription, conversion and redemption orders in respect of Units, as well as the maintenance and filing of the Fund's accounting records as further provided in the central administration services agreement.

ADEPA Asset Management S.A. is entitled to a remuneration, as further described under Chapter 2, Buy & Hold Luxembourg – Summary of Classes of Units [(1)], for the provision of UCI administrator services to the Fund.

## 18. Regulatory Disclosure

Conflicts of Interest

The Management Company has established, implemented and maintains an effective Conflict of Interest policy which is available free of charge on the website: https://www.buyandhold.es/.

The Conflict of Interest policy applies to all staff as well as to all members of the board of directors of the Management Company.

In the context of this policy, a "Conflict of Interest" is any situation, potential or real, where the different parties to this policy have interests that conflict with each other, and where the existence of such situation may potentially damage the interests of a unitholder of the Fund.

The main principles to resolve conflicts of interest are:

- If there is a Conflict of Interest between the Management Company and a client, safeguarding the interest of the latter is to prevail;
- If there is a Conflict of Interest between the members of the boards of directors of the Management Company and the Management Company, the duty of loyalty of the Management Company is to prevail; and
- If there is a Conflict of Interest between clients, the situation must be communicated to those concerned in written format if it has not been resolved beforehand. None of them should be favoured.

The Management Company has designated a Committee responsible for the supervision and implementation of this conflict of interest policy. Additionally the Management Company has designated an external compliance unit, reporting the board of directors of the Management Company, to make sure that the Management Company accomplishes all its legal obligations. Finally the Management Company keeps and updates a register of conflicts of interest.

Complaints Handling

Investors are entitled to file complaints free of charge with the Distributor or the Management Company in an official language of their home country.

The complaints handling procedure is available free of charge on the internet at www.buyandhold.es and at the registered office of the Management Company.

Exercise of Voting Rights

The Management Company has in place a dedicated policy as regards the exercise of voting rights attached to the instruments held in the Sub-Funds in order to act in the best interest of the Sub-Funds and the Unitholders and to avoid any possible conflicts of interest in relation to other funds, Sub-Funds and investors.

The Management Company is authorised to exercise any voting rights attached to instruments held in the Sub-Funds on behalf of the Sub-Funds.

Details of the actions taken will be made available to Unitholders free of charge on their request.

Best Execution

The Management Company acts in the best interests of the Fund when executing investment decisions. For that purpose it takes all reasonable steps to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution).

The best execution policy is available for investors free of charge at the registered office of the Management Company.

Investor rights

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Fund, if the investor is registered itself and in its own name in the registered account kept for the Fund and its Unitholders by the Fund's UCI Administrator. In cases where an investor invests in the Fund through an intermediary investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain of its rights directly against the Fund. Investors are advised to take advice on their rights.

Remuneration Policy

The Management Company has a remuneration policy (**Remuneration Policy**) in place. Its Remuneration Policy is consistent with and promotes sound and effective risk management of the Fund, does not encourage risk-taking and does not impair compliance with the best interest of the Fund and the rules of the Fund. The fixed component of the total remuneration of identified staff will always be larger than its variable component, the latter being always granted on a discretionary basis only. The Remuneration Policy will be reviewed annually and any change to it will be submitted to the approval of the board of directors of the Management Company. Considering the nature, scope and complexity of the Management Company's activities the proportionality principle has been applied. The remuneration rules are in line with the business strategy, objectives, values and interests of the Management Company, the Fund and its investors and include measures to avoid conflicts of interest. The remuneration rules implemented by the Management Company ensure that fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component. The assessment of performance of the Management Company staff is set yearly.

The Remuneration Policy is available on the website of the Management Company at Política-de-remuneración-v-def_EN.pdf (buyandhold.es) and a paper copy will be made available free of charge upon request.

**Securitisation positions**

The Fund will not hold securitisation positions in the meaning of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.

## 19. Main Parties

**Management Company**
Buy & Hold Capital SGIIC S.A.
Calle de la Cultura 1-1º
46002 Valencia
Spain

**Board of Directors of the Management Company**

**Pacet de Inversiones SL**
**Represented by**
**Julián Pascual Huerta**
President, Buy & Hold Capital SGIIC S.A.
**Chief of Internal Audit**

**Rafael Valera Vargas**
CEO, Buy & Hold Capital SGIIC S.A.
**Chief of Risk Management**

**Antonio Aspas Romano**
Secretary, Buy & Hold Capital SGIIC S.A.
**Chief of Compliance**

**Independent Auditor of the Fund**
Ernst & Young, *société anonyme*,
3[5]E, Avenue John F. Kennedy
L-1855 Luxembourg

**Depositary**
Cecabank, S.A., Branch in Luxembourg,
6 Rue Eugéne Ruppert
L--2453 Luxembourg,
Grand Duchy of Luxembourg

**Legal Advisor**
Ganado SARL,
23--25 Rue du Puits Romain,
L 8070 Bertrange,
Grand Duchy of Luxembourg

**Global Distributor**
Buy & Hold Capital SGIIC S.A.,
Calle de la Cultura 1-1º
46002 Valencia
Spain

**UCI Administrator**
ADEPA Asset Management S.A.,
6A, rue Gabriel Lippmann
L–- 5365 Munsbach

**Paying Agent**
Cecabank, S.A., Branch in Luxembourg,
6 Rue Eugéne Ruppert
L--2453 Luxembourg,
Grand Duchy of Luxembourg

## 20. Sub-Funds

### Buy & Hold Luxembourg – B&H Equity

Investment Objective

The investment objective of Buy & Hold Luxembourg – B&H Equity (the **Sub-Fund**) is long-term capital appreciation by investing worldwide (including emerging Countries) in the international equity markets.

Investment Policy

In accordance with Chapter 6, Authorised Investments and Investment Restrictions and the provisions of Article 41(1) of the Law of December 17, 2010, the Sub-Fund shall invest in the following assets: (i) exchange traded shares and equity-type securities such as common stock, preferred stock, partnership shares and depository receipts (hereinafter referred to as **Equity Transferable Securities**); (ii) exchange traded financial derivative instruments for either hedging or investment purposes, as described below; (iii) in cash deposits and money market instruments and (iv) exceptionally in fixed-income or floating rate securities (including but not limited to bonds, notes, zero bonds, convertibles bonds and warrants) preferably from private issuers and to a lesser extent from public issuers.

In general, the Sub-Fund shall direct its investments towards small and mid capitalisation Equity Transferable Securities, although it will not rule out investments in other large cap securities.

The Sub-Fund targets to invest at least 75 % of its Net Asset Value in Equity Transferable Securities, without being limited to specific branches, countries or capitalizations which may lead to concentration risks.

The Sub-Fund may invest up to 25% in securities issued or backed by an EU Member State, a Spanish Regional Authority ("**Comunidad Autónoma**") a Local Authority, International Organisations of which Spain is a member and States whose credit ratings are not lower than that of the Kingdom of Spain.

The Sub-Fund may also invest in "Emerging Markets". Emerging Markets are defined as countries which, at the time of investment, are not considered by the MSCI Emerging Markets Index, to be developed, high-income industrialized countries.

The Sub-Fund may operate with derivative financial instruments traded on organized derivate markets for hedging, investment and efficient portfolio management purposes such as bond options, currency options, interest rate options, bond futures and interest rate futures. In case of derivative transactions, the Sub-Fund will under no circumstances deviate from the investment principles described in the Prospectus and in the prescriptions of article 41 (1) paragraph g) of the Law of December 17, 2010.

The Sub-Fund may invest in currency futures to hedge currency risk. In addition, the Sub-Fund may invest in equity index futures, equity index options, futures on broad based equity ETFs, options on broad based equity ETFs, single stock futures and equity options in order to hedge market risk, for investment purposes and/or for efficient portfolio management purposes.

The Sub-Fund may engage into securities lending for hedging, investment and/or portfolio management purposes, in accordance with Chapter 7, Use of Efficient Portfolio Management Techniques. Securities lending transactions are used to generate additional capital or income through the transaction.

The Sub-Fund shall not be engaged into repurchase agreements and reverse repurchase agreements of Government securities (and maintains the possibility to be engaged in foreign exchange forward transactions for the purpose of hedging foreign exchange currency risks).

The Sub-Fund shall not use total return swaps.

The Sub-Fund may also invest indirectly through financial collective investment undertakings (as further explained below) in Equity Transferable Securities, fixed income or other assets permitted by the legislation in force, by maintaining the above mentioned exposure to equity in excess of 75%.

Pursuant to the prescriptions of article 181(8) of the Law of 17 December 2010, the Sub-Fund may invest in the units of another Sub-Fund of the Fund.

Pursuant to the prescriptions of article 41 (1) e of the Law of 17 December 2010, the Sub-Fund may invest up to 10% of its assets in units of UCITS authorised according to the Directive 2009/65/EC and/or other UCIs whether or not established in a Member State.

The Sub-Fund invests mainly in mid capitalisation Equity Transferable Securities. The Management Company does not actively take investment decisions based on sustainability risks and does not actively consider the adverse impacts of sustainability risks on the returns of the Unitholders for the Sub-Fund. Yet, the Management Company does not invest or invests limitedly in certain sectors or companies whose products, services or activities could be considered contrary to the current trends regarding the promotion of ESG criteria.

The strategy of the Sub-Fund to invest in mid capitalisation companies is one of the contributing factors as to why sustainability risks can currently not be actively considered; as there is a lack of information in relation to investments provided by ESG data providers.

The Management Company intends to consider the principal adverse impacts of investment decisions on sustainability factors once there is more information available.

The Sub-Fund does not promote environmental or social characteristics, and does not have as objective sustainable investment (as provided by articles 8 or 9 of the SFDR).

Moreover, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund will only engage into securities lending in accordance with SFTR in order to generate capital or additional income and improve portfolio efficiency on a continuous basis. The Sub-Fund will use bonds, equities and equivalents for its securities lending transactions.

The Sub-Fund will determine the collateral, the collateral valuation and the counterparties in accordance with Section 7.2, Management of collateral and collateral policy, of Chapter 25257, Use of efficient portfolio management techniques of Chapter 7, Use of efficient portfolio management techniques.

The maximum level of exposure to securities lending amounts to 50% of the Sub-Fund’s Net Asset Value.

The expected level of exposure to securities lending amounts to 25 % of the Sub-Fund’s Net Asset Value.

No more than 40% of the gross revenue arising from securities lending may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the annual report of the Fund.

Global Exposure

The global exposure of the Sub-Fund will be calculated and monitored on the basis of the commitment approach.

Reference Currency

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

Specific Risk Information

Potential investors should note that the Sub-Fund shall gain a significant exposure to worldwide securities. Exposure to currency risk may exceed 30% and may account for up to 100% of total exposure.

Investors are advised to consider all the relevant risks, among others, collateral risk, equity market risk, interest rate risk, foreign exchange risk, credit risk, securities lending transaction risk, counterparty risk, emerging market risk, geographical or sector concentration risk as set out in Chapter 8, Risk Factors.

Worldwide Investments

The investments of the Sub-Fund are subject to normal market fluctuations and the risks inherent in investments in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially. Since investments in securities may involve currencies other than the Reference Currency of the Sub-Fund, the value of the Sub-Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of the Sub-Fund will therefore depend in part on the ability of the Management Company to anticipate and respond to such fluctuations in stock prices and currency rates and to utilize appropriate strategies to maximize returns, while attempting to reduce the associated risks to investment capital.

Investments in companies

The Sub-Fund will be subject to the risks associated with equity securities, the values of which in general fluctuate in response to the activities of individual companies, the general market and economic conditions. An Investment in smaller companies may involve greater risks and thus may be considered speculative. An investment in a Fund investing in smaller companies should be considered long term and not as a vehicle for seeking short term profits. Many small company stocks trade less frequently and in smaller volumes and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than securities in large companies.

Portfolio concentration

Concentration of the investments of portfolios in any particular countries will mean that those portfolios may be more greatly impacted by adverse social, political or economic events which may occur in such countries.

Currency hedging

Currency hedged Classes of Units utilize hedging strategies to seek to limit exposure to currency movements between a Sub-Fund's Reference Currency, investment currencies or index currencies and the currency a hedged Class of Units is denominated in. Such hedging strategies used by the Management Company may not completely eliminate exposure to such currency movements. There can be no guarantee that hedging strategies will be successful.

Leverage

Since the Sub-Fund is exposed to leverage, the value of the respective Class of Units may rise or fall in value more quickly than if there was no leverage.

Profile of the Typical Investor

The Sub-Fund is suitable for investors with high risk tolerance and a long-term view who wish to invest in a diversified portfolio of transferable equity securities (shares).

After the initial issue, the issue price will be calculated as set out below under "Subscription, Redemption and Conversion of Units" and "Net Asset Value".

Redemption Charges

There are no redemption charges for all Classes of Units of the Sub-Fund.

Subscription, Redemption and Conversion of Units

Each Banking Day is a Subscription Day. The Cut-Off Time for subscription applications is 4 pm CET on the Valuation Day. Payment into the account of the Fund opened at the Depositary must be effected within two Banking Days after the Valuation Day.

Each Banking Day is a Redemption Day. The Cut-Off Time for redemption applications is 4 pm CET on the Valuation Day. Payment of the redemption price of the Shares shall be made within three Banking Days following the Valuation day.

Each Banking Day is a Conversion Day. The Cut-Off Time for conversion applications is 4 pm CET on the Valuation Day. Conversion shall take place on the basis of the applicable Net Asset Value per Share calculated on the Valuation Day following the Banking Day Conversions of Shares will only be made on a Valuation Day, if the Net Asset Value in both relevant Share Classes is calculated.

*Valuation Day*

Each Banking Day will be a Valuation Day. The calculation of the Net Asset Value will be done on the Banking Day following a Valuation Day.

Performance Fee

Class 1 (EUR) and Class 2 (EUR): are subject to a performance fee (the **Performance Fee**) as further specified hereafter.

The Management Company is entitled to a performance fee which is calculated every Valuation Day on the basis of the Net Asset Value of the Class of Units concerned.

The reference performance period is set at 5 years.

The Performance Fee may only be charged and crystallized yearly, if, at December 31st, the Net Asset Value of the relevant Class of Units which is used for the calculation of the Performance Fee (including all fees and duties, charges and expenses to be borne by the relevant Class of Units but excluding the Performance Fee calculated on that Valuation Day), is greater than the last Net Asset Value used for the calculation of the last Performance fee crystallised and paid adjusted at each Valuation Day to take into account the effect of new subscriptions and redemptions (the **High Watermark or HWM**). Each preceding decline in the Net Asset Value per Units of the respective Class of Units must be offset by a further increase above the last maximum value at which a Performance Fee was crystallised. So, if on the crystallisation date, the Sub-Fund has overperformed the HWM and there is a positive accrual of performance fees those can be paid. In this case, the accrual will be crystallised in the payment of the performance fees to the Management Company.

If on the crystallisation date the Sub-Fund has underperformed the HWM and as a consequence there are no accrued performance fees, this underperformance is brought forward for the purpose of the calculation of performance fees the following year. In this way, compensation of negative performances is ensured over the years during a reference performance period of 5 years.

Calculation of the Performance Fee and the necessary provisioning takes place on each Valuation Day (the **Calculation Date**), and the crystallization takes place on an annual basis if the NAV at December 31$^{st}$ meets the criteria described below.

If, on the Calculation Date, the Net Asset Value of a Class of Units is greater than the High Watermark, a Performance Fee of seven percent (7%) shall be deducted on the difference between the Net Asset Value of the relevant Class of Units and the High Watermark. The calculation of the Performance Fee takes place on the basis of the Units of the respective Class of Units that are currently in circulation.

The payment of the crystallised Performance Fee of one complete natural year (from January 1$^{st}$ to December 31$^{st}$) takes place at the beginning of the following calendar year.

If no Performance Fee is due during a period of five (5) years, the High Watermark will be reset on that day at the next Net Asset Value calculation to the Net Asset Value at the end of the five (5) year-period (“carry forward conditions”).

A Performance Fee is payable and thus accrued when the following condition applies at December 31st of each calendar year:
- NAV t > HWM

If this condition occurs, then the Performance fee will be calculated according to the following formula :

0.07 * (NAV t – HWM) × number of Shares of B&H Equity Sub-Fund t

where:
NAV t = current Net Asset Value prior to provision for Performance Fee
HWM = High Watermark or last Net Asset Value (including all fees, costs, expenses and the Performance fee), used for the calculation of the last Performance fee crystallised and paid
t = current Calculation Date

The Performance Fee will be calculated on the basis of the Net Asset Value after deducting all expenses, fees (but not the Performance Fee) and adjusting it for subscriptions, redemptions and distributions during the relevant financial year so that these will not affect the additional variable fee payable.

Leverage

The Level of Leverage, calculated via the commitment approach, of financial derivative instruments, may be up to one (1) time the Net Asset Value of the Sub-Fund, meaning the maximum degree of exposure to market risk through financial derivative instruments is the amount of the Net Asset Value of the Sub-Fund.

Classes of Units
There are three (3) Classes of Units within this Sub-Fund. They are all Capital-growth Units and unhedged

| Unit Class | Initial Issue Price | Minimum Initial Investment, Minimum Subsequent Investment and Minimum Holding Amount | Distributor Commission or Retrocession Available | Available to |
|---|---|---|---|---|
| Class 1 (EUR) | EUR 1 (one euro) | one (1) Unit per Unit Class | No | Investors coming into the Sub-Fund from the merger of July 24, 2020 and January 8, 2021 from:<br>INVERSIONES LLONER SICAV, with ISIN code: ES0155968136 ;<br>UNIVERSAL DE INVERSIONES, SICAV, S.A., with ISIN code: ES0182120032 ;<br>DICASTILLO INVERSIONES, SICAV, S.A., with ISIN code: ES0126471038 ; and<br>REX ROYAL BLUE SICAV, with ISIN code: ES0173751035.<br><br>All investors investing through an approved distributor that provides independent portfolio management or investment advice.<br><br>Approved distributors in countries that prohibit receiving and retaining commissions.<br><br>Approved distributors that provide non-independent advice (as defined by MiFID II, for EU distributors) and have client agreements that prohibit receiving and retaining commissions.<br><br>Employees of the Management Company and their first-degree family members.<br><br>Approved distributors that are not allowed/willing to receive commissions. |
| Class 2 (EUR) | EUR 1 (one euro) | | Yes[9] | All investors investing through intermediaries (such as EEA non-independent advisors, brokers or other intermediaries) that may, subject to applicable rules, accept or retain commissions. |
| Class 3 (EUR) | EUR 1 (one euro) | | No | Other UCIs, pension plans, their sub-funds or classes of units that are managed by the same management company as the Fund. |

[9] The Distributor Commission shall be up to 55% of the Management Fee and shall be paid out the Management Fee to the distributors

**Performance fee example**

| Date | Total Net Asset | Number of units subscribed | Number of units redeemed | Outstanding units | NAV/unit | NAV Perf | HWM | NAV Perf vs HWM | 7.00% Payable Performance Fee | NAV/unit after Performance Fee |
|---|---|---|---|---|---|---|---|---|---|---|
| Beginning of year 1 | 10,000,000 | 10,000 | 10,000 | 100,000 | 100 | - | 100 | 0% | - | |
| End of year 1 | 15,000,000 | 10,000 | 10,000 | 100,000 | 150 | 50% | 100 | 50% | 350,000 | 146.5 |
| End of year 2 | 8,000,000 | 10,000 | 10,000 | 100,000 | 80 | -47% | 150 | -47% | - | |
| End of year 3 | 8,500,000 | 10,000 | 10,000 | 100,000 | 85 | 6% | 150 | -43% | - | |
| End of year 4 | 9,000,000 | 10,000 | 10,000 | 100,000 | 90 | 6% | 150 | -40% | - | |
| End of year 5 | 13,000,000 | 10,000 | 10,000 | 100,000 | 130 | 44% | 150 | -13% | - | |
| End of year 6 | 14,000,000 | 10,000 | 10,000 | 100,000 | 140 | 8% | 150 | -7% | - | |
| Beginning of year 7 | 14,000,000 | 10,000 | 10,000 | 100,000 | | | 140 | | - | |

**Buy & Hold Luxembourg – B&H Flexible**

Investment Objective

The investment objective of Buy & Hold Luxembourg – B&H Flexible (the **Sub-Fund**) is medium- long-term capital appreciation by gaining exposure to a broad range of asset classes on a global basis while seeking dynamic and flexible exposure to risk according to the global market conditions.

The Sub-Fund is a multi-asset, medium-long, total return oriented which aims to explore opportunities in financial markets, by investing in variable portions in different asset classes (i.e. equities versus bonds), instruments (Target Funds versus Direct Investments), geographies and sectors. In order to achieve its investment objective of the Sub-fund, the Management Company may on a temporary basis tactically overweight a single asset class, instrument, country or sector, always within the investments limits described in Chapter 6, Authorised Investments and Investments Restrictions, the provisions of Article 41(1) of the Law of December 17, 2010 as well as the investment limits as set our below.

In particular, the Sub-Fund seeks to achieve investment returns while reducing volatility within the defined investment limits in response to varying economic conditions that could affect the performance of the respective asset classes.

The investment decisions will be taken by the Management Company according to its appreciation of which asset class, geographic area or industry sector offers the best investment opportunities, always within the restrictions as laid out by the Chapter 6, Authorised Investments and Investments Restrictions, the provisions of the Law of December 17, 2010 as well as the investment limits as set out below.

The Sub-Fund is not subject to a predetermined country, industry sector, credit rating or market capitalization.

Investment Policy

In accordance with Chapter 6, Authorised Investments and Investment Restrictions and the provisions of Article 41(1) of the Law of December 17, 2010, the Sub-Fund shall:

(i) invest its net assets in shares or units of "Target Funds" (including so-called Exchange Traded Funds (ETF) in order to achieve exposure to different asset classes. The Sub-Fund may invest up to 10% of its total net assets in the same Target Fund, provided that each Sub-Fund of an umbrella fund is considered as a separate issuer while observing the principle of segregation of the various Sub-Funds liabilities towards third parties.

(ii) invest its net assets in individual equities such as o common stock, preferred stock, equity-type securities, fixed income or floating rate securities (including convertible bonds, corporate bonds and government bonds) of public or private issuers, fixed income securities with non-investment rating from one or more rating agencies, non-rated fixed income securities and Contingent Convertible Debt Securities; the percentage of each of the above instruments in the Sub-Fund is defined in relation to the valuation of various asset classes and market developments.

(iii) More than 35% of the Sub-Fund net assets may be invested in securities issued or backed by an EU Member State, a Spanish Regional Authority (**Comunidad Autónoma**), a Local Authority, the international organisations of which Spain is a member and States whose credit ratings are not lower than that of the Kingdom of Spain.

(iv) In particular, in order to achieve the Investment Objective of achieving return while reducing volatility of the portfolio, the weight of fixed income or floating – rate securities may significantly be reduced if the Management Company assumes the interest rate risk to increase. Further, the weight of equities may significantly be reduced if a severe market correction is anticipated by the Management Company.

(v) When the financial markets are experiencing excessive volatility or when the global economy is facing adverse conditions temporarily invest up to 100% of its net assets in money market instruments in accordance with paragraph 4) e) of Chapter 6, Authorised Investments and

Investment Restrictions and /or in units/shares in undertakings for collective investment in transferable securities which are subject to Directive 2009/65/EC, bank deposits, money market instruments and money market funds that meet the criteria of Article 41 (1) of the 2010 Law a including callable or fixed deposits at EU or OECD credit institutions provided the term to maturity does not exceed twelve (12) months. The Investment Restrictions rules set out in Chapter 6, Authorised Investments and Investment Restrictions are at all times be complied with.

The Sub-Fund may operate with derivative financial instruments traded on organized derivate markets for hedging, investment and/or efficient portfolio management purposes such as equity options, bond options, currency futures, currency options, interest rate options, equity futures, bond futures, interest rate futures, equity index futures, equity index options, futures on broad based equity ETFs, options on broad based equity ETFs and single stock futures. In case of derivative transactions, the Management Company will under no circumstances deviate from the investment principles described in the Prospectus and in the prescriptions of article 41 (1) paragraph g) of the Law of December 17, 2010.

Pursuant to the prescriptions of article 181(8) of the Law of 17 December 2010, the Sub-Fund may invest in the units of another sub-fund of the Fund.

Pursuant to the prescriptions of article 41 (1) e of the Law of 17 December 2010, the Sub-Fund may invest up to 10% of its Net Asset Value in units of UCITs authorised according to the Directive 2009/65/EC and/or other UCIs whether or not established in a Member State.

The Sub-Fund may enter into currency transactions by investing in assets denominated in currencies other than the Reference Currency.

The Sub-Fund may invest globally, including in so-called “Emerging Markets”. Emerging Markets are defined as countries which, at the time of investment, are not considered by the MSCI Emerging Markets Index, to be developed, high-income industrialized countries.

The Sub-Fund will not invest more than 35% of its Net Asset Value in Contingency Convertibles Debt Securities.

The Sub-Fund may engage into securities lending for hedging, investment and/or portfolio management purposes, in accordance with Chapter 7, Use of efficient portfolio management techniques. The use of securities financing transactions shall be used to generate additional capital or income through the transaction.

The Sub-Fund shall not be engaged in repurchase agreements and reverse repurchase agreements of Government securities (and maintains the possibility to be engaged in foreign exchange forward transactions for the purpose of hedging foreign exchange currency risks).

The Sub-Fund shall not use total return swaps.

The Sub-Fund invests opportunistically in equities and bonds. The Management Company does not actively take investment decisions based on sustainability risks and does not actively consider the adverse impacts of sustainability risks on the returns of the Unitholders for the Sub-Fund. Yet, the Management Company does not invest or invests limitedly in certain sectors or companies whose products, services or activities could be considered contrary to the current trends regarding the promotion of ESG criteria.

The strategy of the Sub-Fund to invest in different asset classes (i.e. equities versus bonds), instruments (Target Funds versus Direct Investments), is one of the contributing factors as to why sustainability risks can currently not be actively considered; as there is a lack of information in relation to such investments provided by ESG data providers.

The Management Company intends to consider the principal adverse impacts of investment decisions on sustainability factors once there is more information available.

The Sub-Fund does not promote environmental or social characteristics, and does not have as objective sustainable investment (as provided by articles 8 or 9 of SFDR).

Moreover, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund will only engage into securities lending in accordance with SFTR in order to generate capital or additional income and improve portfolio efficiency on a continuous basis. The Sub-Fund will use bonds, equities and equivalents for its securities lending transactions.

The Sub-Fund will determine the collateral, the collateral valuation and the counterparties in accordance with Section 7.2, Management of collateral and collateral policy, of Chapter 25257, Use of efficient portfolio management techniques.

The maximum level of exposure to securities lending amounts to 50% of the Sub-Fund's Net Asset Value.

The expected level of exposure to securities lending amounts to 25 % of the Sub-Fund's Net Asset Value.

No more than 40% of the total revenue arising from securities lending may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the annual report of the Fund.

Global Exposure
The global exposure of the Sub-Fund will be calculated and monitored on the basis of the commitment approach.

Reference Currency

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

Specific Risk Information

Potential investors should note that the Sub-Fund shall gain a significant exposure to global market conditions. Due to the global approach, the investors should note that the exposure to currency risk may be of 100%.

Investors are advised to consider all the relevant risks, among others, collateral risk, equity market risk, interest rate risk, foreign exchange risk, liquidity risk, credit risk, securities lending transaction risk, counterparty risk, emerging market risk , geographical or sector concentration risk and Contingent Convertible Debt Securities as set out in Chapter 8, Risk Factors.

Global Investments

The investments of the Sub-Fund are subject to normal market fluctuations and the risks inherent in investments in international securities markets and/or fixed income, there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially. Since investments in securities may involve currencies other than the Reference Currency of the Sub-Fund, the value of the Sub-Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of the Sub-Fund will therefore depend in part on the ability of the Management Company to anticipate and respond to such fluctuations in stock prices and currency rates and to utilize appropriate strategies to maximize returns, while attempting to reduce the associated risks to investment capital.

Investments in companies

The Sub-Fund will be subject to the risks associated with equity securities, the values of which in general fluctuate in response to the activities of individual companies, the general market and economic conditions. An Investment in smaller companies may involve greater risks and thus may be considered speculative. An investment in a Fund investing in smaller companies should be considered long term and not as a vehicle for seeking short term profits. Many small company stocks trade less frequently and in smaller volumes and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than securities in large companies.

Portfolio concentration

Concentration of the investments of portfolios in any particular countries will mean that those portfolios may be more greatly impacted by adverse social, political or economic events which may occur in such countries.

Currency hedging

Currency hedged Classes of Units utilize hedging strategies to seek to limit exposure to currency movements between a Sub-Fund's Reference Currency, investment currencies or index currencies and the currency a hedged Class of Units is denominated in. Such hedging strategies used by the Management Company may not completely eliminate exposure to such currency movements. There can be no guarantee that hedging strategies will be successful.

Leverage

Since the Sub-Fund is exposed to leverage, the value of the respective Class of Units may rise or fall in value more quickly than if there was no leverage.

Profile of the Typical Investor

The Sub-Fund is suitable for long-term investors wishing to achieve long-term capital growth by investing in a portfolio providing exposure to a global range of different asset Classes of Units as described in section Investment Policy above.

Redemption Charges

There are no redemption charges for all Classes of Units of the Sub-Fund.

Subscription, Redemption and Conversion of Units

Each Banking Day is a Subscription Day. The Cut-Off Time for subscription applications is 4 pm CET on the Valuation Day. Payment into the account of the Fund opened at the Depositary must be effected within two Banking Days after the Valuation Day.

Each Banking Day is a Redemption Day. The Cut-Off Time for redemption applications is 4 pm CET on the Valuation Day. Payment of the redemption price of the Shares shall be made within three Banking Days following the Valuation day.

Each Banking Day is a Conversion Day. The Cut-Off Time for conversion applications is 4 pm CET on the Valuation Day. Conversion shall take place on the basis of the applicable Net Asset Value per Share calculated on the Valuation Day following the Banking Day Conversions of Shares will only be made on a Valuation Day, if the Net Asset Value in both relevant Share Classes is calculated.

*Valuation Day*

Each Banking Day will be a Valuation Day. The calculation of the Net Asset Value will be done on the Banking Day following a Valuation Day.

Performance Fee

Class 1 (EUR) and Class 2(EUR) are subject to a performance fee (the Performance Fee) as further specified hereafter.

The Management Company is entitled to a performance fee which is calculated every Valuation Day on the basis of the Net Asset Value of the Class of Units concerned.

The reference performance period is set at 5 years.

The Performance Fee may only be charged and crystallized yearly, if, at December 31st, the Net Asset Value of the relevant Class of Units which is used for the calculation of the Performance Fee (including all fees and duties, charges and expenses to be borne by the relevant Class of Units but excluding the Performance Fee calculated

on that Valuation Day), is greater than the last Net Asset Value used for the calculation of last the Performance fee crystallised and paid adjusted at each Valuation Day to take into accounts the effect of new subscriptions and redemptions (the **High Watermark or HWM**). Each preceding decline in the Net Asset Value per Units of the respective Class of Units must be offset by a further increase above the last maximum value at which a Performance Fee was incurred. So, if on the crystallisation date, the Sub-Fund has overperformed the HWM and there is a positive accrual of performance fees those can be paid. In this case, the accrual will be crystallised in the payment of the performance fees to the Management Company.

If on the crystallisation date the Sub-Fund has underperformed the HWM and as a consequence there are no accrued performance fees, this underperformance is brought forward for the purpose of the calculation of performance fees the following year. In this way, compensation of negative performances is ensured over the years during a reference performance period of 5 years.

Calculation of the Performance Fee and the necessary provisioning takes place on each Valuation Day (the **Calculation Date**), and the crystallization takes place on an annual basis if the NAV at December 31st meets the criteria described below.

If, on the Calculation Date, the Net Asset Value of a Class of Units is greater than the High Watermark, a Performance Fee of five percent (5%) shall be deducted on the difference between the Net Asset Value of the relevant Class of Units and the High Watermark. The calculation of the Performance Fee takes place on the basis of the Units of the respective Class of Units that are currently in circulation.

The payment of the crystallised Performance Fee of one complete natural year (from January 1st to December 31st) takes place at the beginning of the following calendar year.

If no Performance Fee is due during a period of five (5) years, the High Watermark will be reset on that day at the next Net Asset Value calculation to the Net Asset Value at the end of the five (5) year-period ("carry forward conditions").

A Performance Fee is payable and thus accrued when the following condition applies at December 31st of each calendar year:
- NAV t > HWM

If this condition occurs, then the Performance fee will be calculated according to the following formula :

0.05 * (NAV t – HWM) × number of Shares of B&H Flexible Sub-Fund t

where:
NAV t = current Net Asset Value prior to provision for Performance Fee
HWM = High Watermark or last Net Asset Value (including all fees, costs, expenses and the Performance fee), used for the calculation of the last Performance fee crystallised and paid
t = current Calculation Date

The Performance Fee will be calculated on the basis of the Net Asset Value after deducting all expenses, fees (but not the Performance Fee) and adjusting it for subscriptions, redemptions and distributions during the relevant financial year so that these will not affect the additional variable fee payable.

Leverage

The Level of Leverage, calculated via the commitment approach, of financial derivative instruments may be up to one 1 time the Net Asset Value of the Sub-Fund, meaning the maximum degree of exposure to market risk through financial derivative instruments is the amount of the Net Asset Value of the Sub-Fund.

Classes of Units
There are three (3) Classes of Units within this Sub-Fund. They are all Capital-growth Units and unhedged

| Unit Class | Initial Issue Price | Minimum Initial Investment, Minimum Subsequent Investment and Minimum Holding Amount | Distributor Commission or Retrocession Available | Available to |
|---|---|---|---|---|
| Class 1 (EUR) | EUR 1 (one euro) | one (1) Unit per Unit Class | No | Investors coming into the Sub-Fund from the merger of July 24, 2020 and January 8, 2021 from:<br>BH EUROPA FLEXIBLE, SICAV SA, with ISIN code: ES0114563002;<br>BMS CARTERA, S.A., SICAV, with ISIN code: ES0114899034;<br>BMS BLUE CHIPS, SICAV, S.A., with ISIN code: ES0145872034; and<br>PIGMANORT SICAV, with ISIN code: ES0169841030<br>All investors investing through an approved distributor that provides independent portfolio management or investment advice.<br>Approved distributors in countries that prohibit receiving and retaining commissions.<br>Approved distributors that provide non-independent advice (as defined by MiFID II, for EU distributors) and have client agreements that prohibit receiving and retaining commissions.<br>Employees of the Management Company and their first-degree family members.<br>Approved distributors that are not allowed/willing to receive commissions. |
| Class 2 (EUR) | EUR 1 (one euro) | | Yes[10] | All investors investing through intermediaries (such as EEA non-independent advisors, brokers or other intermediaries) that may, subject to applicable rules, accept or retain commissions. |
| Class 3 (EUR) | EUR 1 (one euro) | | No | Other UCIs, pension plans, their sub-funds or classes of units that are managed by the same management company as the Fund. |

[10] The Distributor Commission shall be up to 55% of the Management Fee and shall be paid out the Management Fee to the distributors

**Performance fee example**

| Date | Total Net Asset | Number of units subscribed | Number of units redeemed | Outstanding units | NAV/unit | NAV Perf | HWM | NAV Perf vs HWM | 5.00% Payable Performance Fee | NAV/unit after Performance Fee |
|---|---|---|---|---|---|---|---|---|---|---|
| Beginning of year 1 | 10,000,000 | 10,000 | 10,000 | 100,000 | 100 | - | 100 | 0% | - | |
| End of year 1 | 15,000,000 | 10,000 | 10,000 | 100,000 | 150 | 50% | 100 | 50% | 250,000 | 147.5 |
| End of year 2 | 8,000,000 | 10,000 | 10,000 | 100,000 | 80 | -47% | 150 | -47% | - | |
| End of year 3 | 8,500,000 | 10,000 | 10,000 | 100,000 | 85 | 6% | 150 | -43% | - | |
| End of year 4 | 9,000,000 | 10,000 | 10,000 | 100,000 | 90 | 6% | 150 | -40% | - | |
| End of year 5 | 13,000,000 | 10,000 | 10,000 | 100,000 | 130 | 44% | 150 | -13% | - | |
| End of year 6 | 14,000,000 | 10,000 | 10,000 | 100,000 | 140 | 8% | 150 | -7% | - | |
| Beginning of year 7 | 14,000,000 | 10,000 | 10,000 | 100,000 | | | 140 | | - | |

**Buy & Hold Luxembourg – B&H Bonds**

Investment Objective

The Investment Objective of Buy & Hold Luxembourg – B&H Bonds (the **Sub-Fund**) is to achieve capital appreciation in the long term with a higher degree of principal stability investing in fixed income investments issued mainly in the European Union Member States or candidate countries to integrate the European Union

Investment Policy

In accordance with Chapter 6, Authorised Investments and Investment Restrictions and the provisions of Article 41(1) of the Law of December 17, 2010 the Sub-Fund shall:

(i) Invest its net assets in fixed-income or floating rate securities (including but not limited to bonds, notes, zero bonds, convertibles bonds and warrants) preferably from private issuers and to a lesser extent from public issuers.

(ii) In general terms the duration of the portfolio in fixed-income or floating rate securities will be between 0 and 10 years.

(iii) The Sub-Fund may invest in fixed income securities with non-investment rating from one or more rating agencies, non-rated fixed income securities and Contingent Convertible Debt Securities; The Sub-Fund is focused on obtaining high yields and thus it usually invests in non-investment grade securities, that may be " high yields" fixed income assets than have lower credit rating, lower than BBB- (S&P) if the assessment is that the yield premium offered more than compensates for the higher risk of default on the debt's interest and principal.

The Sub-Fund will consider a number of other factors in its investment analysis of a security in addition to its rating, including, among other things, the issuer's financial condition, earnings prospects, anticipated cash flow, interest or dividend coverage and payment history, asset coverage, liquidity, debt maturity schedules and borrowing requirements. The Sub-Fund will utilize reports, statistics and other data from a variety of sources, but will base its decision on its own research and analysis.

(iv) In addition, the Sub-Fund may invest in securities of issuers which are domiciled in other secondary markets than the European including the so-called "Emerging Markets". Emerging Markets are defined as countries which, at the time of investment, are not considered by the MSCI Emerging Markets Index, to be developed, high-income industrialized countries.

(v) Invest in money market instruments as per paragraph h) section 1 of Chapter 6, Authorised Investments and Investment Restrictions, and/or in other liquid assets as per Chapter ,4 Investment Policy, including listed money market instruments provided the term to maturity does not exceed twelve (12) months that qualify as UCITS "eligible investments" and meet the criteria of Article 41 (1) of the 2010 Law.

(vi) Invest in shares or units of Target Funds as per paragraph e) of section 1 of Chapter, 6 Authorised Investments and Investment Restrictions (including UCITS compliant "exchange traded funds" or ETF) providing exposure to the above mentioned assets. Such investment will be made within the investment restrictions set out in section 5 of Chapter 6, Authorised Investments and Investment Restrictions set out in section 5, establishing a limit of 10% of the total net assets of the Sub-Fund for investments in shares or units of Target Funds.

The Sub-Fund may also invest in fixed-rate bonds and debentures, promissory notes, floating or variable interest rate, transactions with Spanish government debt and other financial assets with periodic explicit returns or implicit returns on maturity, including deposits, preference shares, convertible debentures and listed monetary market instruments.

The Sub-Fund may target to invest more than 25% in securities issued or backed by an EU Member State, Spanish Regional Authority ("*Comunidad Autonoma*") a Local Authority, International Organisations of which Spain is a member and States with a credit rating not lower than that of the Kingdom of Spain.

The Sub-Fund may operate with derivative financial instruments traded on organized derivate markets for hedging and investment purposes such as equity options, bond options, currency futures, currency options, interest rate options, equity futures, bond futures and interest rate futures. In case of derivative transactions, the Sub-Fund will under no circumstances deviate from the investment principles described in the Prospectus and in the prescriptions of article 41 (1) paragraph g) of the Law of December 17, 2010.

Pursuant to the prescriptions of article 181(8) of the Law of 17 December 2010, the Sub-fund may invest in the units of another sub-fund of the Fund.

Pursuant to the prescriptions of article 41 (1) e of the Law of 17 December 2010, the Sub-Fund may invest up to 10% of its assets in units of UCITS and/or other UCIs whether or not established in a Member State.

The Sub-Fund will not invest more than 25% of its Net Asset Value in Contingency Convertibles Debt Securities.

The Sub-Fund may engage into securities lending for hedging, investment and/or portfolio management purposes, in accordance with Chapter 7, Use of efficient portfolio management techniques. Securities financing transactions are used to generate additional capital or income through the transaction.

The Sub-Fund shall not be engaged in repurchase agreement and reverse repurchase agreement of Government securities and maintains the possibility to be engaged in foreign exchange forward transactions for the purpose of hedging foreign exchange currency risks.

The Sub-Fund shall not use total return swaps.

The Sub-Fund invests in fixed income investments issued mainly in the European Union Member States preferably from private issuers. Sustainability risks are likely to have a moderate impact on the value of the Sub-Fund's investments in the long term. The Management Company does not actively take investment decisions based on sustainability risks and does not actively consider the adverse impacts of sustainability risks on the returns of the Unitholders for the Sub-Fund. Yet, the Management Company does not invest or invests limitedly in certain sectors or companies whose products, services or activities could be considered contrary to the current trends regarding the promotion of ESG criteria.

The strategy of the Sub-Fund to invest in fixed income investments preferably from private issuers, is one of the contributing factors as to why sustainability risks can currently not be actively considered; as there is a lack of information in relation to such fixed income investments provided by ESG data providers.

The Management Company intends to consider the principal adverse impacts of investment decisions on sustainability factors once there is more information available.

The Sub-Fund does not promote environmental or social characteristics, and does not have as objective sustainable investment (as provided by articles 8 or 9 of SFDR).

Moreover, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund will only engage into securities lending in accordance with SFTR in order to generate capital or additional income and improve portfolio efficiency on a continuous basis. The Sub-Fund will use bonds, equities and equivalents for its securities lending transactions.

The Sub-Fund will determine the collateral, the collateral valuation and the counterparties in accordance with Section 7.2, Management of collateral and collateral policy, of Chapter 25257, Use of efficient portfolio management techniques.

The maximum level of exposure to securities lending amounts to 50% of the Sub-Fund's Net Asset Value.

The expected level of exposure to securities lending amounts to 25 % of the Sub-Fund's Net Asset Value.

No more than 40% of the total revenue arising from securities lending may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the annual report of the Fund.

Global Exposure
The global exposure of the Sub-Fund will be calculated and monitored on the basis of the commitment approach.

Reference Currency

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

Specific Risk Information

Investors should note that the Reference Currency of the Sub-Fund is EUR, and although the Management Company has the ability to hedge the Sub-Fund's exposure to movements in other currencies, there is the risk that any foreign currency exposure will not be fully or successfully hedged and that the Sub-Fund's Net Asset Value could move down due to a fall in the value of non-EUR currencies against the EUR. Where the Management Company decides to hedge part or all of a currency exposure, the hedging process may from time to time result in a small residual currency exposure that it is estimated that will not exceed 10%.

Potential investors should note that the Sub-Fund shall gain a significant exposure to high yield debt securities. Some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (**credit risk**) and may also be subject to price volatility due to such factors as interest rate movements, market perception of creditworthiness of the issue and general market liquidity issues.

Investors are advised to consider all the relevant risks, among others, collateral risk, interest rate risk, foreign exchange risk, liquidity risk, credit risk, securities lending transaction risk, counterparty risk, emerging market risk, geographical or sector concentration risk and Contingent Convertible Debt Securities as set out in Chapter 8, Risk Factors.

European Fixed Income

The investments of the Sub-Fund are subject to normal market fluctuations and the risks inherent in investments in international fixed income markets and there can be no assurances that appreciation will occur. Since investments in fixed income or floating rate securities may involve currencies other than the Reference Currency of the Sub-Fund, the value of the Sub-Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of the Sub-Fund will therefore depend in part on the ability of the Management Company to anticipate and respond to such fluctuations in fixed income or floating rate securities and currency rates and to utilize appropriate strategies to maximize returns, while attempting to reduce the associated risks to investment capital.

Investments in companies

The Sub-Fund will be subject to the risks associated with equity securities, the values of which in general fluctuate in response to the activities of individual companies, the general market and economic conditions. An Investment in smaller companies may involve greater risks and thus may be considered speculative. An investment in a Fund investing in smaller companies should be considered long term and not as a vehicle for seeking short term profits. Many small company stocks trade less frequently and in smaller volumes and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than securities in large companies.

Portfolio concentration

Concentration of the investments of portfolios in any particular countries will mean that those portfolios may be more greatly impacted by adverse social, political or economic events which may occur in such countries.

Currency hedging

Currency hedged Classes of Units utilize hedging strategies to seek to limit exposure to currency movements between a Sub-Fund's Reference Currency, investment currencies or index currencies and the currency a hedged Class of Units is denominated in. Such hedging strategies used by the Management Company may not completely eliminate exposure to such currency movements. There can be no guarantee that hedging strategies will be successful.

Leverage

Since the Sub-Fund is exposed to leverage, the value of the respective Class of Units may rise or fall in value more quickly than if there was no leverage.

Profile of the Typical Investor

The Sub-Fund is suitable for long-term investors wishing to achieve long-term capital growth by investing in a diversified portfolio of fixed-income and floating rate securities as described in section Investment Policy above.

Redemption Charges

There are no redemption charges for all Classes of Units of the Sub-Fund.

Subscription, Redemption and Conversion of Units

Each Banking Day is a Subscription Day. The Cut-Off Time for subscription applications is 4 pm CET on the Valuation Day. Payment into the account of the Fund opened at the Depositary must be effected within two Banking Days after the Valuation Day.

Each Banking Day is a Redemption Day. The Cut-Off Time for redemption applications is 4 pm CET on the Valuation Day. Payment of the redemption price of the Shares shall be made within three Banking Days following the Valuation Day.

Each Banking Day is a Conversion Day. The Cut-Off Time for conversion applications is 4 pm CET on the Valuation Day. Conversion shall take place on the basis of the applicable Net Asset Value per Share calculated on the Valuation Day following the Banking Day Conversions of Shares will only be made on a Valuation Day, if the Net Asset Value in both relevant Share Classes is calculated.

*Valuation Day*

Each Banking Day will be a Valuation Day. The calculation of the Net Asset Value will be done on the Banking Day following a Valuation Day.

Performance Fee

Class 1 (EUR) and Class 2(EUR) of Units are subject to a performance fee (the **Performance Fee**) as further specified hereafter.

The Management Company is entitled to a performance fee which is calculated every Valuation Day on the basis of the Net Asset Value of the Class of Units concerned.

The reference performance period is set at 5 years.

The Performance Fee may only be charged and crystallized yearly, if, at December 31st, the Net Asset Value of the relevant Class of Units which is used for the calculation of the Performance Fee (including all fees and duties, charges and expenses to be borne by the relevant Class of Units but excluding the Performance Fee calculated on that Valuation Day), is greater than the last Net Asset Value used for the calculation of last the Performance fee crystallised and paid adjusted at each Valuation Day to take into account the effect of new subscriptions and redemptions (the **High Watermark or HWM**). Each preceding decline in the Net Asset Value per Units of the respective Class of Units must be offset by a further increase above the last maximum value at which a Performance Fee was incurred. So, if on the crystallisation date, the Sub-Fund has overperformed the HWM and there is a positive accrual of performance fees those can be paid. In this case, the accrual will be crystallised in the payment of the performance fees to the Management Company.

If on the crystallisation date the Sub-Fund has underperformed the HWM and as a consequence there are no accrued performance fees, this underperformance is brought forward for the purpose of the calculation of performance fees the following year. In this way, compensation of negative performances is ensured over the years during a reference performance period of 5 years.

Calculation of the Performance Fee and the necessary provisioning takes place on each Valuation Day (the **Calculation Date**), and the crystallization takes place on an annual basis if the NAV at December 31st meets the criteria described below.

If, on the Calculation Date, the Net Asset Value of a Class of Units is greater than the High Watermark, a Performance Fee of three percent (3%) shall be deducted on the difference between the Net Asset Value of the Class of Units and the High Watermark. The calculation of the Performance Fee takes place on the basis of the Units of the respective Class of Units that are currently in circulation.

The payment of the crystallised Performance Fee of one complete natural year (from January 1st to December 31st) takes place at the beginning of the following calendar year.

If no Performance Fee is due during a period of five (5) years, the High Watermark will be reset on that day at the next Net Asset Value calculation to the Net Asset Value at the end of the five (5) year-period ("carry forward conditions").

A Performance Fee is payable and thus accrued when the following condition apply at December 31st of each calendar year:
- NAV t > HWM

If this condition occurs then the Performance fee will be calculated according to the following formula :

0.03 * (NAV t – HWM) × number of Shares of B&H Bonds Sub-Fund t

where:
NAV t = current Net Asset Value prior to provision for Performance Fee
HWM = High Watermark or last Net Asset Value (including all fees, costs, expenses and the Performance fee), used for the calculation of the last Performance fee crystallised and paid
t = current Calculation Date

The Performance Fee will be calculated on the basis of the Net Asset Value after deducting all expenses, fees (but not the Performance Fee) and adjusting it for subscriptions, redemptions and distributions during the relevant financial year so that these will not affect the additional variable fee payable.

Leverage

The Level of Leverage calculated via the commitment approach, of financial derivative instruments may be up to one 1 times the Net Asset Value of the Sub-Fund, meaning the maximum degree of exposure to market risk through financial derivative instruments is the amount of the Net Asset Value of the Sub-Fund.

<table>
<tr><td colspan="5">Classes of Units<br>There are three (3) Classes of Units within this Sub-Fund. They are all Capital-growth Units and unhedged</td></tr>
<tr><th>Unit Class</th><th>Initial Issue Price</th><th>Minimum Initial Investment, Minimum Subsequent Investment and Minimum Holding Amount</th><th>Distributor Commission or Retrocession Available</th><th>Available to</th></tr>
<tr><td>Class 1 (EUR)</td><td>EUR 1 (one euro)</td><td rowspan="3">one (1) Unit per Unit Class</td><td>No</td><td>Investors coming into the Sub-Fund from the merger of July 24, 2020 from BH RENTA FIJA EUROPA SICAV SA, with ISIN code: ES0145809002.<br><br>All investors investing through an approved distributor that provides independent portfolio management or investment advice.<br><br>Approved distributors in countries that prohibit receiving and retaining commissions.<br><br>Approved distributors that provide non-independent advice (as defined by MiFID II, for EU distributors) and have client agreements that prohibit receiving and retaining commissions.<br><br>Employees of the Management Company and their first-degree family members.<br><br>Approved distributors that are not allowed/willing to receive commissions.</td></tr>
<tr><td>Class 2 (EUR)</td><td>EUR 1 (one euro)</td><td>Yes[11]</td><td>All investors investing through intermediaries (such as EEA non-independent advisors, brokers or other intermediaries) that may, subject to applicable rules, accept or retain commissions.</td></tr>
<tr><td>Class 3 (EUR)</td><td>EUR 1 (one euro)</td><td>No</td><td>Other UCIs, pension plans, their sub-funds or classes of units that are managed by the same management company as the Fund.</td></tr>
</table>

[11]The Distributor Commission shall be up to 55% of the Management Fee and shall be paid out the Management Fee to the distributors.

**Performance fee example**

| Date | Total Net Asset | Number of units subscribed | Number of units redeemed | Outstanding units | NAV/unit | NAV Perf | HWM | NAV Perf vs HWM | 3.00% Payable Performance Fee | NAV/unit after Performance Fee |
|---|---|---|---|---|---|---|---|---|---|---|
| Beginning of year 1 | 10,000,000 | 10,000 | 10,000 | 100,000 | 100 | - | 100 | 0% | - | |
| End of year 1 | 15,000,000 | 10,000 | 10,000 | 100,000 | 150 | 50% | 100 | 50% | 150,000 | 148.5 |
| End of year 2 | 8,000,000 | 10,000 | 10,000 | 100,000 | 80 | -47% | 150 | -47% | - | |
| End of year 3 | 8,500,000 | 10,000 | 10,000 | 100,000 | 85 | 6% | 150 | -43% | - | |
| End of year 4 | 9,000,000 | 10,000 | 10,000 | 100,000 | 90 | 6% | 150 | -40% | - | |
| End of year 5 | 13,000,000 | 10,000 | 10,000 | 100,000 | 130 | 44% | 150 | -13% | - | |
| End of year 6 | 14,000,000 | 10,000 | 10,000 | 100,000 | 140 | 8% | 150 | -7% | - | |
| Beginning of year 7 | 14,000,000 | 10,000 | 10,000 | 100,000 | | | 140 | | - | |

**Buy & Hold Luxembourg – B&H Debt**

Investment Objective

The Investment Objective of Buy & Hold Luxembourg – B&H Debt (the **Sub-Fund**) is to achieve capital appreciation in the short-medium term, with a higher degree of principal stability, investing in fixed income mainly in investment grade issues of issuers located in OECD countries.

Investment Policy

In accordance with Chapter 6, Authorized Investments and Investment Restrictions and the provisions of Article 41(1) of the Law of December 17, 2010, the Sub-Fund shall:

(i) Invest 100% of the total exposure in public/private fixed income, including listed and unlisted bonds, up to 20% in listed commercial paper and up to 25% in aggregate in subordinated debt (with subsequent collection preference to unsecured creditors).

(ii) Invest in liquid deposits and money market instruments that meet the criteria of Article 41 (1) of the 2010 Law, as per paragraph h) section 1 of Chapter 6, Authorised Investments and Investment Restrictions.

(iii) Invest in fixed-income or floating rate securities (including but not limited to corporate and government bonds, notes zero bonds and convertibles bonds), preferably from private issuers and to a lesser extent from public issuers. In general terms, the duration of the portfolio in fixed-income or floating rate securities will be between 0 and 3 years.

(iv) Invest at least 50% of its net assets in investment grade assets (minimum rating BBB- by any of the four main rating agencies: S&P, or its equivalent in Moody's, Fitch and DBRS). In addition to that, the Sub-Fund may invest up to 50% of its net assets in high yield, non-rated fixed income securities and Contingent Convertible Debt Securities. The Sub-Fund will not invest more than 15% of its Net Asset Value in Contingency Convertible Debt Securities. The Sub-Fund may obtain high yields, and thus, it may invest in non-investment grade securities, which may be "high yields" fixed income assets, that have a credit rating lower than BBB- by S&P, or its equivalent in Moody's, Fitch and DBRS, if the yield premium offered by the securities compensates for the higher risk of default on the debt's interest and principal.

Although the Sub-Fund targets mainly debt securities rated at least as BBB-, it may also invest in unrated bonds. Unrated bonds may be valued by alternative rating agencies different from S&P, Moody's, Fitch and DBRS. if such rating is not available the Management Company will engage an external rating agency to value such securities considering the duration, the maturity and the issuer quality.

The credit rating or equivalent classification of such investments will be monitored in the event of a downgrading of the bonds following acquisition to ensure that no more than 50% of the net asset value of the Sub-Fund is invested in high yield, distressed or defaulted securities, where 10% of the net asset value of the Sub-Fund may be in distressed or defaulted.

If the credit rating of a bond where the Sub-Fund has invested is no longer provided by any independent recognized rating agency after acquisition even though the bond at the time of acquisition had a specific rating, then the credit rating of such investments shall be regarded as one rating below. The Sub-Fund will not invest directly in default securities. In case of a downgrade of a security to distressed or default (rated "CCC+" (or equivalent) or below), the Management Company may, at its discretion, consider whether to: (i) sell a part or the entire amount of security held or (ii) terminate the transaction entered into, or (iii) maintain the investment in such security. The decision will be based on an assessment implementing a risk versus reward compromise. The Management Company will sell a security or terminate a transaction when the probability of additional losses is considered sufficiently strong or if the possibility of salvaging some of the value of the security is considered weak. On the contrary, the

Management Company will keep the security in portfolio or remain in the transaction when the possibility and attractiveness of salvaging parts of the value of the security is considered strong.

(v) Invest up to 20% of the NAV in securities of issuers which are domiciled in other secondary markets than the European including the so-called “Emerging Markets”. Emerging Markets are defined as countries which, at the time of investment, are not considered by the MSCI Emerging Markets Index, to be developed, high-income industrialized countries.

(vi) Invest in money market instruments as per paragraph h) section 1 of Chapter 6, Authorized Investments and Investment Restrictions, and/or in other liquid assets as per Chapter 4, Investment Policy, including listed money market instruments provided the term to maturity does not exceed twelve (12) months that qualify as UCITS “eligible investments” and meet the criteria of Article 41 (1) of the 2010 Law.

(vii) Invest in shares or units of Target Funds as per paragraph e) of section 1 of Chapter, 6 Authorized Investments and Investment Restrictions (including UCITS compliant “exchange traded funds” or ETF) providing exposure to the above mentioned assets. Such investment will be made within the investment restrictions set out in section 5 of Chapter 6, Authorized Investments and Investment Restrictions set out in section 5, establishing a limit of 10% of the total net assets of the Sub-Fund for investments in shares or units of Target Funds.

The investment restriction in point (v) above will be with effect from the 7th March, 2025. The Sub-Fund may also invest in fixed-rate bonds and debentures, promissory notes, floating or variable interest rate, transactions with Spanish government debt and other financial assets with periodic explicit returns or implicit returns on maturity, including deposits, convertible debentures and listed monetary market instruments.

The Sub-Fund may invest up to 35% in securities issued or backed by a EU Member State, a Spanish Regional Authority (“*Comunidad Autónoma*”), a Local Authority, International Organisations of which Spain is a member and States with a credit rating not lower than that of the Kingdom of Spain.

The Sub-Fund may operate with derivative financial instruments traded on organized derivate markets for hedging and investment purposes such as currency futures, bond futures and interest rate futures. In case of derivative transactions, the Sub-Fund will under no circumstances deviate from the investment principles described in the Prospectus and in the prescriptions of article 41 (1) paragraph g) of the Law of December 17, 2010.

Pursuant to the prescriptions of article 181(8) of the Law of 17 December 2010, the Sub-Fund may invest in the units of another sub-fund of the Fund.

Pursuant to the prescriptions of article 41 (1) e of the Law of 17 December 2010, the Sub-Fund may invest up to 10% of its assets in units of UCITS and/or other UCIs whether or not established in a Member State.

The Sub-Fund may engage into securities lending for hedging, investment and/or portfolio management purposes, in accordance with Chapter 7, Use of Efficient Portfolio Management Techniques. Securities lending are used to generate additional capital or income through the transaction.

The Sub-Fund shall not be engaged in repurchase agreement and reverse repurchase agreement of Government securities and maintains the possibility to be engaged in foreign exchange forward transactions for the purpose of hedging foreign exchange currency risks.

The Sub-Fund shall not use total return swaps.

The Sub-Fund invests in fixed income investments issued mainly in OECD countries from private issuers. Sustainability risks are likely to have a moderate impact on the value of the Sub-Fund’s investments in the long term. The Management Company does not actively take investment decisions based on sustainability risks and does not actively consider the adverse impacts of sustainability risks on the returns of the Unitholders for the Sub-Fund. Yet, the Management Company does not invest or invests limitedly in certain sectors or companies whose products, services or activities could be considered contrary to the current trends regarding the promotion of ESG criteria.

The strategy of the Sub-Fund to invest in fixed income investments preferably from private issuers, is one of the contributing factors as to why sustainability risks can currently not be actively considered; as there is a lack of information in relation to such fixed income investments provided by ESG data providers.

The Management Company intends to consider the principal adverse impacts of investment decisions on sustainability factors once there is more information available.

The Sub-Fund does not promote environmental or social characteristics, and does not have as objective sustainable investment (as provided by articles 8 or 9 of SFDR).

Moreover, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund will only engage into securities lending in accordance with SFTR in order to generate capital or additional income and improve portfolio efficiency on a continuous basis. The Sub-Fund will use bonds, and equivalents for its securities lending transactions.

The Sub-Fund will determine the collateral, the collateral valuation and the counterparties in accordance with Section 7.2 of the Prospectus.

The maximum level of exposure to securities lending amounts to 50% of the Sub-Fund's Net Asset Value.

The expected level of exposure to securities lending amounts to 25 % of the Sub-Fund's Net Asset Value.

No more than 40% of the total revenue arising from securities lending may be deducted from the revenue delivered to the Sub-Fund as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the transactions will be disclosed in the annual report of the Fund.

Global Exposure

The global exposure of the Sub-Fund will be calculated and monitored on the basis of the commitment approach.

Reference Currency

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

Specific Risk Information

Investors should note that the Reference Currency of the Sub-Fund is EUR, and although the Management Company has the ability to hedge the Sub-Fund's exposure to movements in other currencies, there is the risk that any foreign currency exposure will not be fully or successfully hedged and that the Sub-Fund's Net Asset Value could move down due to a fall in the value of non-EUR currencies against the EUR. Where the Management Company decides to hedge part or all of a currency exposure, the hedging process may from time to time result in a small residual currency exposure that it is estimated that will not exceed 10%.

Potential investors should note that the Sub-Fund shall gain a significant exposure to high yield debt securities. Some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (**credit risk**) and may also be subject to price volatility due to such factors as interest rate movements, market perception of creditworthiness of the issue and general market liquidity issues.

Investors are advised to consider all the relevant risks, among others, collateral risk, interest rate risk, foreign exchange risk, liquidity risk, credit risk, securities lending transaction risk, counterparty risk, emerging market risk, geographical or sector concentration risk and Contingent Convertible Debt Securities as set out in Chapter 7, Risk Factors.

European Fixed Income

The investments of the Sub-Fund are subject to normal market fluctuations and the risks inherent in investments in international fixed income markets and there can be no assurances that appreciation will occur. Since investments in fixed income or floating rate securities may involve currencies other than the Reference Currency of the Sub-Fund, the value of the Sub-Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of the Sub-Fund will therefore depend in part on the ability of the Management Company to anticipate and respond to such fluctuations in fixed income or floating rate securities and currency rates and to utilize appropriate strategies to maximize returns, while attempting to reduce the associated risks to investment capital.
such countries.

Currency hedging

Currency hedged Classes of Units utilize hedging strategies to seek to limit exposure to currency movements between a Sub-Fund's Reference Currency, investment currencies or index currencies and the currency a hedged Class of Units is denominated in. Such hedging strategies used by the Management Company may not completely eliminate exposure to such currency movements. There can be no guarantee that hedging strategies will be successful.

Leverage

Since the Sub-Fund is exposed to leverage, the value of the respective Class of Units may rise or fall in value more quickly than if there was no leverage.

Profile of the Typical Investor

The Sub-Fund is suitable for investors with medium risk tolerance and a short-medium-term view who wish to invest in a diversified portfolio of fixed income assets.

Redemption Charges

There are no redemption charges for all Classes of Units of the Sub-Fund.

Subscription, Redemption and Conversion of Units

Each Banking Day is a Subscription Day. The Cut-Off Time for subscription applications is 4 pm CET on the Valuation Day. Payment into the account of the Fund opened at the Depositary must be effected within two Banking Days after the Valuation Day.

Each Banking Day is a Redemption Day. The Cut-Off Time for redemption applications is 4 pm CET on the Valuation Day. Payment of the redemption price of the Shares shall be made within three Banking Days following the Valuation Day.

Each Banking Day is a Conversion Day. The Cut-Off Time for conversion applications is 4 pm CET on the Valuation Day. Conversion shall take place on the basis of the applicable Net Asset Value per Share calculated on the Valuation Day following the Banking Day Conversions of Shares will only be made on a Valuation Day, if the Net Asset Value in both relevant Share Classes is calculated.

*Valuation Day*

Each Banking Day will be a Valuation Day. The calculation of the Net Asset Value will be done on the Banking Day following a Valuation Day.

<table>
<tr><td colspan="5">Classes of Units<br>There are three (3) Classes of Units within this Sub-Fund. They are all Capital-growth Units and unhedged</td></tr>
<tr><th>Unit Class</th><th>Initial Issue Price</th><th>Minimum Initial Investment, Minimum Subsequent Investment and Minimum Holding Amount</th><th>Distributor Commission or Retrocession Available</th><th>Available to</th></tr>
<tr><td>Class 1 (EUR)</td><td>EUR 1 (one euro)</td><td rowspan="3">one (1) Unit per Unit Class</td><td>No</td><td>All investors investing through an approved distributor that provides independent portfolio management or investment advice.<br><br>Approved distributors in countries that prohibit receiving and retaining commissions.<br><br>Approved distributors that provide non-independent advice (as defined by MiFID II, for EU distributors) and have client agreements that prohibit receiving and retaining commissions.<br><br>Employees of the Management Company and their first-degree family members.<br><br>Approved distributors that are not allowed/willing to receive commissions.</td></tr>
<tr><td>Class 2 (EUR)</td><td>EUR 1 (one euro)</td><td>Yes[12]</td><td>All investors investing through intermediaries (such as EEA non-independent advisors, brokers or other intermediaries) that may, subject to applicable rules, accept or retain commissions.</td></tr>
<tr><td>Class 3 (EUR)</td><td>EUR 1 (one euro)</td><td>No</td><td>Other UCIs, pension plans, their sub-funds or classes of units that are managed by the same management company as the Fund.</td></tr>
</table>

[12] The Distributor Commission shall be up to 55% of the Management Fee and shall be paid out the Management Fee to the distributors.

**Buy & Hold Capital SGIIC S.A.**

Calle de la Cultura 1-1º, 46002 Valencia
Spain

By a resolution of Buy & Hold Capital SGIIC S.A.. in its capacity as Management Company and with the approval of Cecabank, S.A. Branch in Luxembourg its capacity as Depositary, the following Management Regulations of **Buy & Hold Luxembourg** are hereby issued:

**Management Regulations of the Investment Fund**

**Buy & Hold Luxembourg**

**9th January, 2026**

The present management regulations ("**Management Regulations**") of the investment fund Buy & Hold Luxembourg and any future amendments thereto pursuant to Article 17 hereinbelow shall govern the legal relationship between:

1) the management company **Buy & Hold Capital SGIIC S.A.**, a public limited liability company (*société anonyme*) with its registered office in Spain at Calle de la Cultura 1-1º 46002 Valencia, Spain, registered with the Spanish Trade and Companies Register (hereinafter referred to as the "**Management Company**");

2) the depositary and paying agent Cecabank, S.A., Branch in Luxembourg, the Luxembourg Branch of a Spanish public limited company (sociedad anónima), with registered office in Calle Alcalá, 27, 28014 Madrid, Spain, registered with the Spanish Trade Register under number A86436011. Cecabank, S.A., Branch in Luxembourg has its place of business at 6, Rue Eugéne Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés)* (the "**RCS**") under number B291773 and with the CSSF under number B00000429 (hereinafter referred to as the "**Depositary**"); and

3) the subscribers and holders of **Buy & Hold Luxembourg**'s units ("**Unitholders**"), who, by subscribing or purchasing such units ("**Units**"), implicitly approve and accept the provisions of the present Management Regulations.

**Article 1 – The Fund**

**Buy & Hold Luxembourg** (the "**Fund**") is an undertaking for collective investment in transferable securities in the form of a common fund (*fonds commun de placement*) established under the laws of the Grand Duchy of Luxembourg for an indefinite period of time. It has no separate legal personality and is an unincorporated co-ownership of transferable securities and other assets permitted by law. The Fund is subject to Part I of the law of 17 December 2010 on undertakings for collective investment, as amended from time to time ("**Law of 17 December 2010**") transposing Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time (the "**Directive 2009/65/EC**").

The Fund shall be managed by the Management Company in the exclusive interest of the Unitholders in accordance with the provisions of the Law of 17 December 2010, the present Management Regulations as well as the Fund's prospectus (the "**Prospectus**"). The Fund's assets shall be separate from the assets of the Management Company and hence shall not be liable for the obligations of the Management Company.

The Fund is an undivided collection of assets and Unitholders shall have equal undivided co-ownership rights to all of the Fund's assets in proportion to the number of Units held by them and the corresponding net asset value of those Units. These rights shall be represented by the Units issued by the Management Company.

The Fund has an umbrella structure and consists of at least one subfund ("**Subfund**"). Each Subfund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Unitholders and third parties. The rights of Unitholders and creditors concerning a Subfund or which have arisen in relation to the establishment, operation or liquidation of a Subfund are limited to the assets of that Subfund. No Subfund will be liable with its assets for the liabilities of another Subfund. The Management Company may, at any time, establish further Subfunds. The Fund shall be regarded as consisting of the totality of the respective Subfunds.

For each Subfund, the Management Company may issue various classes of Units (each referred to as "**Unit Class**") with different characteristics, including Units paying distributions ("**distribution Units**") and capital growth-type Units ("**capital-growth Units**"), as specified in the Prospectus. The differences between the Unit Classes may also relate to the initial subscription price, the reference currency, the types of investors who are eligible to invest, the subscription and redemption frequency, the fee structure or any other feature as the Management Company may in its discretion determine.

The existing Subfunds and their investment objectives and policies as well as the available Unit Classes and their characteristics are described in the Prospectus. The Prospectus also indicates the reference currency for each Subfund ("**Reference Currency**") and the reference currency for each Unit Class.

**Article 2 – The Management Company**

The Management Company was incorporated in Spain on 21 September 2012 as a limited company for an indefinetively period. On 11 May 2017, the general meeting of shareholders of the Manageement Company agreed to transform it into a public limited liability company as well as into a collective investment undertakings management company "Sociedad Gestora de Instituciones de Inversion Colectiva" (SGIIC) for an indeinitive period and its articles of incorporation are deposited with the Spanish Trade and Companies Register. The Management Company is approved as a management company regulated by the Spanish Law 35/2003.

The Management Company acts as the management company of the Fund under the freedom to provide services organised by the Direvtive 2009/65/EC.

The Management Company is authorized to manage the Fund in its own name, but for the exclusive benefit and on behalf of the Unitholders of the Fund. In particular, the Management Company is authorized to buy, sell, subscribe, convert and receive transferable securities and other assets permitted by the Law of 17 December 2010. It shall exercise all rights associated directly or indirectly with the assets of the Fund.

The board of directors of Management Company determines the investment objectives and policies of the Subfunds and in accordance with the provisions of the Law of 17 December 2010 as set out in the present Management Regulations and specified in the Prospectus. The Management Company may seek investment advice from an investment committee comprised of members of the Board of Directors of the Management Company as well as from other persons. The Management Company may in general make use of information, advisory and other services in the interest of the Fund.

Moreover, the Management Company may delegate under its responsibility and supervision to third parties one or more of its functions in accordance with the provisions of the Law of 17 December 2010.

The Management Company and any investment manager, investment advisor and sub-advisor and any other agent of the Fund are entitled to fees payable out of the assets of the Fund not exceeding the rate and/or amount specified in the Prospectus.

**Article 3 – The Depositary**

The Fund has appointed Cecabank S.A., Branch in Luxembourg as its depositary within the meaning of the Law of December 17, 2010 and the Commission Delegated Regulation (EU) 2016/438, as amended, supplementing the UCITS Directive (UCITS Level II Regulation), pursuant to the depositary and paying agent agreement effective as of the 9th January 2026 (the "**Depositary and Paying Agent Agreement**").

The Fund has also appointed the Depositary as paying agent.

The depositary and paying agent Cecabank, S.A., Branch in Luxembourg, the Luxembourg Branch of a Spanish public limited company (sociedad anónima), with registered office in Calle Alcalá, 27, 28014 Madrid, Spain, registered with the Spanish Trade Register under number A86436011. Cecabank, S.A., Branch in Luxembourg has its place of business at 6, Rue Eugéne Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés)* (the "**RCS**") under number B291773 and with the CSSF under number B00000429.Depositary duties

The relationship between the Fund, the Management Company and the Depositary is subject to the terms of the Depositary and Paying Agent Agreement. Pursuant to the Depositary and Paying Agent Agreement, the Depositary has been appointed for the safekeeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Fund as well as to ensure the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the Law of 17 December 2010 and the Depositary and Paying Agent Agreement. Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the Law of 17 December 2010.

In addition, the Depositary shall also ensure that:

(i) the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with Luxembourg law and the Management Regulations,
(ii) the value of the units is calculated in accordance with Luxembourg law and the Management Regulations,
(iii) the instructions of the Management Company or the Fund are carried out, unless they conflict with applicable Luxembourg law and/or the Management Regulations,
(iv) in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits, and
(v) the Fund's income is applied in accordance with Luxembourg law or the Management Regulations.

The Depositary shall assume its duties and responsibilities in accordance with the provisions of the Law of 17 December 2010. The Depositary must act honestly, fairly, professionally, independently and solely in the interest of the Fund and its unitholders.

Delegation and conflict of interests

In compliance with the provisions of the Depositary and Paying Agent Agreement and the Law of 17 December 2010, the Depositary may, subject to certain conditions, delegate part or all of its safekeeping duties in relation to financial instruments that can be held in custody to sub-custodian(s) (including Cecabank, S.A., as they are appointed by the Depositary from time to time.

Prior to the appointment of any sub-custodian and on an ongoing basis pursuant to applicable laws and regulations as well as its conflict of interests policy, the Depositary shall assess potential conflicts of interests that may arise from the delegation of safekeeping functions. The Depositary is the Luxembourg Branch of Cecabank, S.A. and the Depositary may delegate certain functions to Cecbank S.A. as sub-custodian. . Irrespective of whether a given sub-custodian could be Cecabank, S.A. or not, the Depositary shall exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant sub-custodian. Furthermore, the conditions of any appointment of a sub-custodian, could also be Cecabank, S.A. ,shall be negotiated at arm's length in order to ensure the protection of interests of the Fund and its unitholder. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to the unitholders of the Fund. An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of these delegates can be found on the following webpage: https://www.cecabank.es/eng/sucursal-en-luxemburgo/.

Liability

The Depositary is liable to the Fund and its unitholders for the loss of a financial instrument held in custody (such financial instruments as defined in article 34(3)(a) of the Law of December 17, 2010 as well as article 12 of the UCITS Level II Regulation, and hereinafter defined as the "**Fund Custodial Assets**") by the Depositary and/or a sub-custodian in accordance with article 35 of the Law of December 17, 2010 (the "**Loss of a Fund Custodial Asset**").

In case of Loss of a Fund Custodial Asset, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the Law of 17 December 2010, the Depositary shall not be liable for the Loss of a Fund Custodial Asset, if such Loss of a Fund Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall also be liable to the Fund and to the unitholders for all other direct losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance the Law of 17 December 2010.

The Depositary's liability shall not be affected by any delegation, unless otherwise stipulated in the Law of 17 December 2010.

Fees

The Depositary is entitled to receive a remuneration for its services as agreed in the Depositary and Paying Agent Agreement. In addition, the Depositary is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements, including, but not limited to, taxes, duties, charges and broker fees, whether existing now or imposed in the future and which are paid by the Depositary or for which the Depositary may be held liable and for the charges of any correspondents.

Depositary's independence from the Fund

The Depositary is not involved, directly or indirectly, with the business affairs, organisation or management of the Fund and is not responsible for the content of this document and thus accepts no responsibility for the accuracy of any information contained herein or the validity of the structure and investments of the Fund. The Depositary has no decision-

making discretion nor any advice duty relating to the Fund's investments and is prohibited from meddling in the management of the Fund's investments. The Depositary does not have any investment decision-making role in relation to the Fund.

Data protection

Information about a potential processing of investors' data by the Depositary may be found athttps://www.cecabank.es/eng/sucursal-en-luxemburgo/ and in the Depositary and Paying Agent Agreement.

**Article 4 – Investment Objective and Investment Policy**

The primary objective of the Fund is to provide investors with an opportunity to invest in professionally managed portfolios. The assets of the Subfunds shall be invested, in accordance with the principle of risk diversification, in transferable securities and other assets permitted by the Law of 17 December 2010.

There can be no guarantee that the investment objective of the Fund and the Subfunds will be achieved. The value of investments may go down as well as up and investors may not recover the value of their initial investment.

The Management Company is authorized to determine the investment policy of the Subfunds in compliance with the rules and restrictions as determined from time to time by the Management Company in these Management Regulations and the Prospectus. The specific investment objectives, policies and restrictions applicable to each particular Subfund shall be determined by the Management Company and disclosed in the Prospectus.

For the purpose of efficient management of the Fund and where the investment policies of the Subfunds so permit, the Management Company may opt to manage all or part of the assets of certain Subfunds in common with assets belonging to other Subfunds of the Fund as further described in the Prospectus.

Moreover, Subfunds of the Fund may, subject to the conditions provided for in the Prospectus (if applicable) and the Law of 17 December 2010, subscribe, acquire and/or hold securities to be issued or issued by one or more Subfunds of the Fund under the following conditions:

- the target Subfund does not, in turn, invest in the Subfund invested in this target Subfund; and
- no more than 10% of the assets of the target Subfund whose acquisition is contemplated may be invested in aggregate in units of other target Subfunds of the Fund; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Subfund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 17 December 2010; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the Subfund of the Fund having invested in the target Subfund, and this target Subfund.

**Article 5 – Investment Restrictions**

For the purpose of this Article, each Subfund shall be regarded as a separate fund within the meaning of Article 40 of the Law of 17 December 2010.

The Management Company may decide that investments of the Fund may include transferable securities and any other assets permitted by and within the restrictions of Part I of the Law of 17 December 2010 as specified in the Prospectus, including:

1) a) transferable securities and money market instruments admitted to or dealt in on a regulated market; for these purposes, a regulated market is any market for financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments as amended;
   b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognized and open to the public; for the purpose of this Article "**Member State**" means a Member State of the European Union (**EU**) or the States of the European Economic Area (**EEA**);

c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognized and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania;

d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on stock exchanges or markets as per paragraphs a), b) or c) above and provided such admission takes place within one year of issue;

e) units or shares of undertakings for collective investment in transferable securities authorized according to Directive 2009/65/EC (UCITS) and/or other undertakings for collective investment (**UCI**), whether or not established in a Member State, provided that:
   - these other UCI are authorized under laws which provide that they are subject to supervision considered by the supervisory authority responsible for the Fund, to be equivalent to that required by EU Community law and that cooperation between the supervisory authorities is sufficiently ensured,
   - the level of protection for share-/unitholders of the other UCIs is equivalent to that provided for share-/unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
   - the business activities of the other UCIs are reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
   - the UCITS or other UCIs whose units/shares are to be acquired, may not, pursuant to their management regulation or instruments of incorporation, invest more than 10% of their total net assets in units/shares of other UCITS or other UCIs;

f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the supervisory authority responsible for the Fund, as equivalent to those laid down in EU Community law;

g) financial derivative instruments, including equivalent cash-settled instruments which are dealt in on the regulated markets specified under paragraphs a), b) and c) above and/or financial derivative instruments which are dealt in over-the-counter (**OTC derivatives**), provided that:
   - the underlying consists of instruments within the meaning of Article 41, paragraph (1) of the Law of 17 December 2010, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives,
   - the counterparties to OTC derivatives transactions are institutions subject to prudential supervision, and belonging to the categories approved by the supervisory authority responsible for the Fund, and
   - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

h) money market instruments other than those dealt in on a regulated market but which are normally traded on the money market and are liquid, and whose value can be precisely determined at any time, provided the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments are:
   - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
   - issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs a), b) or c) above, or
   - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU Community law, or issued or guaranteed by an establishment that is subject to and complies with supervisory rules considered by the supervisory authority responsible for the Fund, to be at least as stringent as those required by EU Community law, or
   - issued by other bodies belonging to the categories approved by the supervisory authority responsible for the Fund, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph h) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual financial statements in accordance with the fourth Directive 78/660/EEC or is an entity, which within a group of companies comprising one or several listed companies, is dedicated to the financing

of the group, or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

2) The Subfunds shall not, however, invest more than 10% of their total net assets in transferable securities or money market instruments other than those referred to in section 1).

The Subfunds may hold ancillary liquid assets in different currencies.

3) The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the investment positions and their contribution to the overall risk profile of the portfolio and a process for accurate and independent assessment of the value of OTC derivatives.

Unless specified otherwise in the Prospectus, each Subfund may, for the purpose of (i) hedging, and/or (ii) efficient portfolio management, and/or (iii) implementing its investment strategy, and subject to the provisions set out below, engage in foreign exchange transactions and/or use financial derivative instruments and/or techniques based on transferable securities, money market instruments or forward contracts on stock exchange indices within the meaning of Part I of the Law of 17 December 2010.

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

As part of its investment policy and within the limits laid down in section 4) paragraph e), each Subfund may invest in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 4). If a Subfund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 4). When a transferable security or a money market instrument embeds a derivative instrument, the derivative instrument shall be taken into account when complying with the requirements of this section.

4) a) No more than 10% of the total net assets of each Subfund may be invested in transferable securities or money market instruments issued by the same issuer. In addition, the total value of all transferable securities and money market instruments of those issuers, in which the Fund invests more than 5% of its total net assets, shall not exceed 40% of the value of its total net assets. No Subfund may invest more than 20% of its total net assets in deposits made with the same body. The risk exposure to a counterparty of a Subfund in an OTC derivative transaction and/or efficient portfolio management techniques may in aggregate not exceed the following percentages:

- 10% of total net assets if the counterparty is a credit institution and Investment Restrictions, section 1) paragraph f), or
- 5% of total net assets in other cases.

b) The 40% limit specified in section 4) paragraph a) is not applicable to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Irrespective of the limits specified in paragraph 4) point a), each Subfund shall not combine, where this would lead to investing more than 20% of its total net assets in a single body, any of the following:
- investments in transferable securities or money market instruments issued by that body, or
- deposits made with that body, or
- exposures arising from OTC derivatives transactions undertaken with that body.

c) The limit of 10% stipulated in section 4) paragraph a) is raised to a maximum of 35% if the securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies to which one or more Member States belong.

d) The 10% limit stipulated in section 4) paragraph a) is raised to 25% for bonds issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must be invested in accordance with the legal requirements in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis

for the reimbursement of the principal and payment of the accrued interest. If a Subfund invests more than 5% of its total net assets in bonds referred to in this paragraph which are issued by a single issuer, the total value of these investments may not exceed 80% of the Subfund's total net assets.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) of this section 4) shall not be taken into account for the purpose of applying the limit of 40% referred to under paragraph a) of this section. The limits specified under section 4) paragraphs a), b), c) and d) shall not be combined; thus investments in transferable securities or money market instruments issued by the same issuer or in deposits or derivative instruments made with this body carried out in accordance with paragraphs a), b), c) and d) shall not exceed in total 35% of a Subfund's total net assets. Companies which belong to the same group for the purposes of the preparation of consolidated financial statements in accordance with Directive 83/349/EU as amended or restated or in accordance with internationally recognized accounting rules, shall be regarded as a single issuer for the purpose of calculating the investment limits specified in the present section 4). A Subfund may cumulatively invest up to a limit of 20% of its total net assets in transferable securities and money market instruments within the same group.

f) **The limit of 10% stipulated in section 4) paragraph a) is raised to 100% if the transferable securities and money market instruments involved are issued or guaranteed by a Member State, one or more of its local authorities, by any other state which is a member of the Organisation for Economic Cooperation and Development (OECD) by Brazil or Singapore, or by a public international body to which one or more Member States of the European Union belong. In such case, the Subfund concerned must hold securities or money market instruments from at least six different issues, and the securities or money market instruments of any single issue shall not exceed 30% of the Subfund's total assets.**

g) Without prejudice to the limits laid down in section 6), the limits laid down in the present section 4) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body, when the aim of the Subfund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the supervisory authority responsible for the Fund, on the following basis:

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

The aforementioned limit of 20% may be raised to a maximum of 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

5) The Fund will not invest more than 10% of the total net assets of any Subfund in units/shares of other UCITS and/or in other UCIs (**Target Funds**) pursuant to section 1) paragraph e) unless otherwise specified in the investment policy applicable to a Subfund as described in the Prospectus.

Where a higher limit as 10% is specified in the Prospectus, the following restrictions shall apply:

- No more than 20% of a Subfund's total net assets may be invested in units/shares of a single UCITS or other UCI. For the purpose of application of this investment limit, each compartment of a UCITS or other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- Investments made in units/shares of UCI other than UCITS may not in aggregate exceed 30% of the total net assets of the Subfund.

Where a Subfund invests in units/shares of other UCITS and/or other UCI that are managed, directly or by delegation, by the same management company or by any other company with which the Management Company is linked by common management or control, or by a direct or indirect holding of more than 10% of the capital or votes (**Affiliated Funds**), the Management Company or the other company may not charge subscription or redemption fees on account of the Subfund's investment in the units/shares of such Affiliated Funds.

Unless specified otherwise in the Prospectus, no Management Fee corresponding to the volume of these investments in Affiliated Funds may be charged at the level of the respective Subfund, unless the Affiliated Fund itself does not charge any management fee.

Investors should note that for investments in units/shares of other UCITS and/or other UCI the same costs may generally arise both at the Subfund level and at the level of the other UCITS and/or UCI itself.

6) a) The Fund's assets may not be invested in securities carrying voting rights which would allow the Fund to exercise significant influence on the management of an issuer.
   b) Moreover, the Fund may not acquire more than:
   - 10% of the non-voting shares of the same issuer,
   - 10% of the debt securities of the same issuer,
   - 25% of the units/shares of one and the same UCITS or other UCI,
   - 10% of the money market instruments of the same issuer.

   In the last three cases, the restriction shall not apply if the gross amount of bonds or money market instruments, or the net amount of the instruments in issue cannot be calculated at the time of acquisition.
   The restrictions set out under paragraphs a) and b) shall not apply to:
   - transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,
   - transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union,
   - transferable securities and money market instruments issued by public international bodies to which one or more Member States of the European Union belong,
   - shares held by the Fund in the capital of a company which is incorporated in a non-Member State of the European Union and which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the European Union complies with the limits stipulated in section 4, paragraphs a) to e), section 5, and section 6 paragraphs a) and b).

7) The Fund may not borrow any money for any Subfund except for:
   a) the purchase of foreign currency using a back-to-back loan
   b) an amount equivalent to not more than 10% of the Subfund's total net assets and borrowed on a temporary basis.
8) The Fund may not grant loans or act as guarantor for third parties.
9) To ensure efficient portfolio management, each Subfund may, in accordance with the provisions of the applicable Luxembourg regulations, enter into securities lending transactions.
10) The Fund may not invest its assets directly in real estate, precious metals or certificates representing precious metals and goods.
11) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in section 1) paragraphs e), g) and h).
12) a) In relation to borrowing conducted within the limitations set out in the Prospectus, the Fund may pledge or assign the assets of the Subfund concerned as collateral.
    b) Furthermore, the Fund may pledge or assign the assets of the Subfund concerned as collateral to counterparties of transactions involving OTC derivatives or financial derivative instruments which are dealt in on a regulated market referred to under section 1) paragraphs a), b) and c) above in order to secure the payment and performance by such Subfund of its obligations to the relevant counterparty. To the extent counterparties require the provision of collateral exceeding the value of the risk to be covered by collateral or the overcollateralisation is caused by other circumstances (e.g. performance of the assets posted as collateral or provisions of customary framework documentation), such (excess) collateral may – also in respect of non-cash collateral - be exposed to the counterparty risk of such counterparty and may only have a mere unsecured claim in respect of such assets.
13) A Subfund may not act as a feeder fund.

The restrictions set out above shall not apply to the exercise of subscription rights.

During the first six (6) months following official authorization of a Subfund in Luxembourg, the restrictions set out in section 4) and 5) above need not to be complied with, provided that the principle of risk diversification is observed.

If the limits referred to above are exceeded for reasons beyond the control of the Management Company or as a result of the exercise of subscription rights, the Management Company shall as a matter of priority remedy that situation, taking due account of the interests of the Unitholders.

The Management Company is entitled to issue, at any time, further investment restrictions in the interests of the Unitholders, if for example such restrictions are necessary to comply with legislation and regulations in those countries in which Units of the Fund are or will be offered for sale or for purchase.

**Article 6 – Units of the Fund**

Units are only available in uncertificated form and will exist exclusively as book entries. Unitholders are not entitled to request delivery of a Unit certificate.

Units may be held through collective depositories. In such case Unitholders shall receive a confirmation in relation to their Units from the depository of their choice (for example, their bank or broker), or Units may be held by Unitholders directly in a registered account kept for the Fund and its Unitholders by the Fund's central administration ("**Central Administration**"). These Unitholders will be registered by the Central Administration. Units held by a depository may be transferred to an account of the Unitholder with the Central Administration or to an account with other depositories approved by the Management Company or, except for certain Unit Classes specified in the Prospectus, with an institutions participating in the securities and fund clearing systems. Conversely, Units credited to a Unitholder's account kept by the Central Administration may at any time be transferred to an account with a depository.

Fractions of Units may be issued up to three decimal places. A holding of fractional Units shall entitle the Unitholder to proportionate rights in relation to such Units.

The Management Company may divide or merge Units in the interest of the Unitholders.

No general meetings of Unitholders shall be held and no voting rights shall be attached to the Units.

The Unit Classes issued by the Fund for each Subfund are described in the Prospectus.

**Article 7 – Issue of Units**

After the initial offering date or period of a Unit Class in the relevant Subfund, the Management Company may offer Units for subscription on any day as specified in the Prospectus.

The Management Company, acting as global distributor of the Units of the Fund, may delegate the distribution of the Fund's Units to third parties. Subscription applications may be submitted to the Central Administration, the Management Company acting as global distributor and/or any sub-distributor authorized by the Management Company to accept such applications ("**Sub-Distributor**") as further specified in the Prospectus.
With respect to the initial offering period, the initial offering price per Unit of each Class shall be determined by the Management Company. The initial offering price may include fees, which are described in the Fund's Prospectus. After the initial offering date or period, the issue price of the Units shall correspond to the applicable Net Asset Value per Unit of the relevant Unit Class within each Subfund, unless otherwise specified for the relevant Subfund in the Prospectus. The Management Company may determine that investors have to pay a sales charge which is specified in the Prospectus, if applicable. Additionally, the investor will bear any taxes or other costs related to the subscription application.

The Management Company shall determine the cut-off times and dates on or prior to the Valuation Day (as defined in Article 12, "Net Asset Value") for processing of subscription applications as specified in the Prospectus. Subscription applications received by the Central Administration, the Management Company acting as global distributoror the Sub-Distributor prior to such cut-off times and dates fixed in relation to a Valuation Day, shall be processed at the Net Asset Value per Unit determined on that Valuation Day. If subscription applications are received by the Central Administration, the Management Company acting as global distributoror the Sub-Distributor after the cut-off times and dates specified in the Prospectus, they shall be processed at the Net Asset Value determined at the next applicable Valuation Day as specified in the Prospectus.

Units shall be issued following receipt of the issue price with the correct value date by the Depositary. Payment must be received in the way and within a period as specified in the Prospectus. If payment is not received within this period the issue price per Unit may be adjusted, subject to the Net Asset Value in effect upon receipt of payment. Notwithstanding the foregoing, the Management Company may, at its own discretion, decide that the subscription application will only be accepted once these monies are received by the Depositary.

The Management Company may in the interest of the Unitholders accept transferable securities and other assets permitted by Part I of the Law of 17 December 2010 as payment for subscription ("**contribution in kind**"), provided, the offered transferable securities and assets correspond to the investment policy and restrictions of the relevant Subfund. Each payment of Units in return for a contribution in kind is part of a valuation report issued by the auditor of the Fund. The Management Company may at its sole discretion, reject all or several offered transferable securities and assets without giving reasons. All costs caused by such contribution in kind (including the costs for the valuation report, broker fees, expenses, commissions, etc.) shall be borne by the investor.

The Management Company may also impose a minimum initial investment and holding amount for each Unit Class as specified in the Prospectus. Such minimum initial investment and holding requirement may be waived in any particular case at the sole discretion of the Management Company.

The Management Company and the Central Administration are entitled to refuse any subscription application in whole or in part for any reason, and may in particular prohibit or limit the sale of Units to individuals or corporate bodies in certain countries or regions if such sales might be detrimental to the Fund or if a subscriptions in the country concerned is in contravention of applicable laws.

Moreover, where new investments would adversely affect the achievement of the investment objective, the Management Company may decide to impose limits on individual Subfunds and suspend the issue of Units on a permanent or temporary basis where it is deemed necessary to guarantee proper management of the Fund's investments.

The issue of units may be suspended under the terms of Article 13, "Suspension of Calculation of the Net Asset Value and of the Issue, Redemption and Conversion of Units", or at the Management Company's discretion in the best interests of the Subfund, notably under other exceptional circumstances.

**Article 8 – Redemption of Units**

The Management Company shall in principle redeem Units on any day as specified in the Prospectus at the Net Asset Value per Unit of the relevant Unit Class of the Subfund (based on the calculation method described in Article 12, "Net Asset Value") applicable for that day less any redemption charge specified in the Prospectus (if applicable). For this purpose, redemption applications must be submitted to the Central Administration, the Management Company acting as global distributor or the Sub-Distributor. Redemption applications for Units held through a depository must be submitted to the depository concerned.

The Management Company shall determine the cut-off times and dates on or prior to the Valuation Day (as defined in Article 12, "Net Asset Value") for processing of redemption applications. Redemption applications received prior to such cut-off times and dates specified in the Prospectus for a Valuation Day shall be processed at the Net Asset Value applicable for that Valuation Day. If redemption applications are received after that cut-off times and dates, they shall be processed at the Net Asset Value determined at the next applicable Valuation Day.

If the execution of a redemption application would result in the relevant investor's holding in a particular Unit Class falling below the minimum holding requirement for that Class or Subfund as specified in the Prospectus, the Management Company may, without further notice to the Unitholder, treat such redemption application as though it were an application for the redemption of all Units of that Class or Subfund held by the Unitholder.

Payment of the redemption price of the Units shall be made within the period specified in the Prospectus. This period does not apply where specific statutory provisions, such as foreign exchange or other transfer restrictions or other circumstances beyond the Depositary's control make it impossible to transfer the redemption amount.

In the case of large redemption applications, the Management Company may decide to settle redemption applications once it has sold the corresponding assets of the Fund without undue delay. Where such a measure is necessary, all redemption applications received on the same day shall be settled at the same price.

Payment of the redemption price shall be made in the way described in the Prospectus in the currency that is legal tender in the country where payment is to be made, after conversion of the amount in question. If, at the sole discretion of the Depositary, payment is to be made in a currency other than the one, in which the relevant Units are denominated, the amount to be paid shall be the proceeds of conversion from the currency of denomination to the currency of payment less all fees and exchange commission. Unless stipulated otherwise by applicable law, there is no obligation to pay the redemption proceeds in a currency other than the one in which the Units are denominated. The Management Company may also propose to a Unitholder to settle a redemptionin all or in part by a distribution in kind of certain assets of equivalent value to the redemption price (less any redemption fee) of the respective Subfund in lieu of cash. In such circumstances the Unitholder must specifically consent to the redemption in kind and will receive a pro rata portion of assets of the Subfund.

Upon payment of the redemption price, the corresponding Units shall cease to be valid.

The Management Company may at any time and at its own discretion proceed to redeem Units held by Unitholders who are not entitled to acquire or possess these Units. In particular, the Management Company is entitled to compulsorily redeem all Units held by a Unitholder where any of the representations and warranties made in connection with the acquisition of the Units was not true or has ceased to be true or such Unitholder fails to comply with any applicable eligibility condition for a Unit Class. The Management Company is also entitled to compulsorily redeem all Units held by a Unitholder that is a U.S. Person (as defined in Article 11 of these Management Regulations) and in any other circumstances in which the Management Company determines that such compulsory redemption would avoid material legal, regulatory, pecuniary, tax, economic, proprietary, administrative or other disadvantages to the Fund, including but not limited to the cases where such Units are held by Unitholder who are not entitled to acquire or possess these Units or who fail to comply with any obligations associated with the holding of these Units under the applicable regulations.

The redemption of units may be suspended under the terms of Article 13, "Suspension of Calculation of the Net Asset Value and of the Issue, Redemption and Conversion of Units" or in other exceptional cases where the circumstances and the best interests of the Unitholders so require.

**Article 9 – Deferral of Redemption or Conversion of Units**

The Management Company may decide to defer all or part of a redemption or conversion request exceeding the percentage set out in the Prospectus to the next or subsequent redemption days or conversion days until the application is processed in full. On a next or subsequent redemption day or conversion day, deferred redemption or conversion requests will be met in priority to requests submitted in respect of such redemption day or conversion day.

As an alternative to deferring applications for redemptions, the Management Company may propose to an investor, who accepts, to settle a redemption application, in whole or in part, by a distribution in kind of certain assets of the Subfund or class of units in lieu of cash, subject to the conditions set out in the Prospectus.

The Management Company may decide to postpone the payment of redemption proceeds after the end of the normal redemption settlement period in accordance with the provisions set out in the Prospectus.

**Article 10 – Conversion of Units**

Unless specified otherwise in the Prospectus with respect to a Unit Class or Subfund, Unitholders may, at any time, convert all or part of their Units into Units of the same Class of another Subfund or into another Class of the same or another Subfund, provided that the requirements (that are specified in the Prospectus) for the Unit Class into which such Units are converted are complied with.

The Management Company shall determine the cut-off times and dates on or prior to the Valuation Day (as defined in Article 12, "Net Asset Value") for processing of conversion applications as specified in the Prospectus. Conversion applications received prior to the cut-off times and dates specified in the Prospectus for a Valuation Day shall be processed at the Net Asset Value applicable for that Valuation Day. If conversion applications are received after that cut-off times and dates, they shall be processed at the Net Asset Value determined at the next applicable Valuation Day. Conversions of Units will only be made on a Valuation Day, if the Net Asset Value in both relevant Unit Classes is calculated.

Where processing an application for the conversion of Units would result in the relevant Unitholder's holding in a particular Unit Class falling below the minimum holding requirement for that Class as specified in Prospectus, the Management Company may, without further notice to the Unitholder, treat such conversion application as though it were an application for the conversion of all Units held by the Unitholder in that Unit Class.

Where Units denominated in one currency are converted into Units denominated in another currency, the foreign exchange and conversion fees incurred will be taken into consideration and deducted.

The Management Company may determine to charge a conversion fee, the maximum percentage of which is specified in the Prospectus.

**Article 11 – U.S. Matters**

The Units of the Fund may not be directly or indirectly offered, sold or transferred to or for the benefit of a "U.S. Person" which shall include (i), a "United States person" as described in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (ii), a "U.S. person" as such term is defined in Regulation S of the Securities Act of 1933, as amended, (iii) a person that is "in the United States" as defined in Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person that does not qualify as a "Non-United States Person" as such term is defined in U.S. Commodities Futures Trading Commission Rule 4.7.,

Each Unitholder and each transferee of a Unitholder's interest in any Subfund shall furnish (including by way of updates) to the Management Company, or any third party designated by the Management Company (a «Designated Third Party»), in such form and at such time as is reasonably requested by the Management Company (including by way of electronic certification) any information, representations, waivers and forms relating to the Unitholder (or the Unitholder's direct or indirect owners or account holders) as shall reasonably be requested by the Management Company or the Designated Third Party to assist it in obtaining any exemption, reduction or refund of any withholding or other taxes imposed by any taxing authority or other governmental agency (including withholding taxes imposed pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement, or any agreement entered into pursuant to any such legislation or intergovernmental agreement) upon the Management Company or the Fund, amounts paid to the Fund, or amounts allocable or distributable by the Fund to such Unitholder or transferee. In the event that any Unitholder or transferee of a Unitholder's interest fails to furnish such information, representations, waivers or forms to the Management Company or the Designated Third Party, the Management Company or the Designated Third Party shall have full authority to take any and all of the following actions:

a) Withhold any taxes required to be withheld pursuant to any applicable legislation, regulations, rules or agreements;

b) Redeem the Unitholder's or transferee's interest in any Subfund as set out in Article 8;

c) Form and operate an investment vehicle organized in the United States that is treated as a "domestic partnership" for purposes of section 7701 of the Internal Revenue Code of 1986, as amended and transfer such Unitholder's or transferee's interest in any Subfund or interest in such Subfund assets and liabilities to such investment vehicle. If requested by the Management Company or the Designated Third Party, the Unitholder or transferee shall execute any and all documents, opinions, instruments and certificates as the Management Company or the Designated Third Party shall have reasonably requested or that are otherwise required to effectuate the foregoing. Each Unitholder hereby grants to the Management Company or the Designated Third Party a power of attorney, coupled with an interest, to execute any such documents, opinions, instruments or certificates on behalf of the Unitholder, if the Unitholder fails to do so.

The Management Company or the Designated Third Party may disclose information regarding any Unitholder (including any information provided by the Unitholder pursuant to this Article) to any person to whom information is required or requested to be disclosed by any taxing authority or other governmental agency including transfers to jurisdictions which do not have strict data protection or similar laws, to enable the Management Company to comply with any applicable law or regulation or agreement with a governmental authority. Each Unitholder hereby waives all rights it may have under applicable bank secrecy, data protection and similar legislation that would otherwise prohibit any such disclosure and warrants that each person whose information it provides (or has provided) to the Management Company or the Designated Third Party has been given such information, and has given such consent, as may be necessary to permit

the collection, processing, disclosure, transfer and reporting of their information as set out in this Article and this paragraph.

The Management Company or the Designated Third Party may enter into agreements with any applicable taxing authority (including any agreement entered into pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement) to the extent it determines such an agreement is in the best interest of the Fund or any Unitholder.

**Article 12 – Net Asset Value**

The Net Asset Value of the Units in each Subfund shall be calculated in the Reference Currency of the respective Subfund by the Management Company in Luxembourg at least twice a month at a frequency determined by the Management Company and on such days as specified in the Prospectus (each such day being referred to as a "Valuation Day"). For this purpose, the assets and liabilities of the Fund shall be allocated to the Subfunds (and to the individual Unit Classes within the Subfunds), and the calculation is carried out by dividing the net asset value of the Subfund by the total number of Units outstanding for the relevant Subfund. If the Subfund in question has more than one Unit Class, that portion of the net asset value of the Subfund attributable to the particular Class will be divided by the number of issued Units of that Class.

The Net Asset Value of a Unit Class which is denominated in a currency other than the Reference Currency of the relevant Subfund shall be first calculated in the Reference Currency of this Subfund and converted from the Reference Currency into the other currency at the mid-market rate between Reference Currency and the other currency.

In particular, the costs and expenses associated with the conversion of monies in relation to the subscription, redemption and conversion of Units of a Class which is not denominated in the Reference Currency of the relevant Subfunds as well as the hedging of currency exposure in relation to such Class will be reflected in the net asset value of that Class.

Unless otherwise specified in the Prospectus for the relevant Subfund, the assets of each Subfund shall be valued as follows:

a) Securities which are listed or regularly traded on a stock exchange shall be valued at the last available sales price. If such a price is not available for a particular trading day, the closing mid-price (the mean of the closing bid and ask prices) or alternatively the closing bid price, may be taken as a basis for the valuation;
b) If a security is traded on several stock exchanges, the valuation shall be made by reference to the exchange which is the main market for this security;
c) In the case of securities for which trading on a stock exchange is not significant but which are traded on a secondary market with regulated trading among securities dealers (with the effect that the price reflects market conditions), the valuation may be based on this secondary market.;
d) Securities traded on a regulated market shall be valued in the same way as those listed on a stock exchange;
e) Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price. If no such price is available, the Management Company shall value these securities in accordance with other criteria to be established by the Management Company and on the basis of the probable sales price, the value of which shall be estimated with due care and in good faith;
f) Derivatives shall be treated in accordance with the above. OTC swap transactions will be valued on a consistent basis on bid, offer or mid prices as determined in good faith pursuant to procedures established by the Management Company on behalf of the Fund. When deciding whether to use the bid, offer or mid prices the Management Company will take into consideration the anticipated subscription or redemption flows, among other parameters. If, in the opinion of the Management Company, such values do not reflect the fair market value of the relevant OTC swap transactions, the value of such OTC swap transactions will be determined in good faith by the Management Company, or by such offer method as it deems in its discretion appropriate.
g) The valuation price of a money market instrument which has a maturity or remaining term to maturity of less than 12 months and does not have any specific sensitivity to market parameters, including credit risk, shall, based on the net acquisition price or on the price at the time when the investment's remaining term to maturity falls below 12 months, be progressively adjusted to the repayment price while keeping the resulting investment return constant. In the event of a significant change in market conditions, the basis for the valuation of different investments shall be brought into line with the new market yields;
h) Units or shares of UCITS or other UCIs shall be valued on the basis of their most recently calculated net asset value, where necessary by taking due account of the redemption fee. Where no net asset value and only buy and sell prices

are available for units or shares of UCITS or other UCIs, the units or shares of such UCITS or other UCIs may be valued at the mean of such buy and sell prices;

i) The value of credit default swaps is calculated on a regular basis using comprehensible, transparent criteria. The Management Company and the Independent Auditor shall monitor the comprehensibility and transparency of the valuation methods and their application.

j) Liquid assets, fiduciary and fixed-term deposits shall be valued at their respective nominal value plus accrued interest.

The amounts resulting from such valuations shall be converted into the Reference Currency of each Subfund at the prevailing mid-market rate. Foreign exchange transactions conducted for the purpose of hedging currency risks shall be taken into consideration when carrying out this conversion.

Furthermore, if specific techniques are employed for specific Unit Classes for the purpose of hedging or other risk management purposes the profit and loss amounts resulting from such transactions and the related costs shall be allocated solely to such Unit Classes.

If a valuation in accordance with the above rules is rendered impossible or incorrect due to particular or changed circumstances, the Management Company shall be entitled to use other generally recognised and auditable valuation principles in order to reach a proper valuation of the Subfund's assets.

The Net Asset Value of a Unit shall be rounded up or down, as the case may be, to the next smallest unit of the Reference Currency which is currently used unless otherwise specifiedin the Prospectus for the relevant Subfund

The net asset value of one or more Subfunds may also be converted into other currencies at the mid-market rate should the Management Company decide to effect the issue and redemption of Units in one or more other currencies. Should the Management Company determine such currencies, the Net Asset Value of the respective Units in these currencies shall be rounded up or down to the next smallest unit of currency.

In exceptional circumstances, further valuations may be carried out on the same day; such valuations will be valid for any applications for subscription and/or redemption subsequently received.

The total net asset value of the Fund shall be calculated in Euro.

In order to protect existing Unitholders and subject to the conditions set out in the Prospectus, the Management Company may decide to adjust the Net Asset Value per Unit Class of a Subfund upwards or downwards in the event of a net surplus of subscription or redemption applications on a particular Valuation Day. The adjustment of the Net Asset Value is aiming to cover in particular but not exclusively transaction costs, tax charges and bid/offer spreads incurred by the relevant Subfunds due to subscriptions, redemptions and/or conversions in and out of the Subfund.

As specified for the relevant Subfunds in the Prospectus, the Net Asset Value may either be adjusted on every Valuation Day on a net deal basis regardless of the size of the net capital flow or only if a predefined threshold of net capital flows is exceeded.

**Article 13 – Suspension of Calculation of the Net Asset Value and of the Issue, Redemption and Conversion of Units**

The Management Company may suspend the calculation of the Net Asset Value and/or, where applicable, the issue, redemption and conversion of Units of a Subfund where a substantial proportion of the assets of the Subfund:

a) cannot be valued, because a stock exchange or market is closed on a day other than a usual public holiday, or when trading on such stock exchange or market is restricted or suspended; or

b) is not freely disposable because a political, economic, military, monetary or any other event beyond the control of the Management Company does not permit the disposal of the Subfund's assets, or such disposal would be detrimental to the interests of Unitholders; or

c) cannot be valued, because disruption to the communications network or any another reason makes a valuation impossible; or

d) is not available for transactions, because restrictions on foreign exchange or other types of restrictions make asset transfers impracticable or it can be objectively demonstrated that transactions cannot be effected at normal foreign exchange rates;

e) in exceptional circumstances, whenever the Management Company considers it necessary in order to avoid irreversible negative effects on the Fund, a Subfund or Unit Class, in compliance with the principle of fair treatment of unitholders in their best interests.

Suspension of the calculation of the net asset values of one of the Subfunds shall not affect the calculation of the net asset values of the other Subfunds if none of the above conditions apply to the other Subfunds.

Investors applying for, or who have already applied for, the subscription, redemption or conversion of Units in the respective Subfund shall be notified of the suspension without delay. Notice of the suspension shall also be published as specified in the Prospectus, if, in the opinion of the Management Company, the suspension of the valuation is likely to last for longer than one week.

Suspension of the calculation of the Net Asset Value of one Subfund shall not affect the calculation of the Net Asset Value of the other Subfunds if none of the above conditions apply to such other Subfunds.

**Article 14 – Costs**

The Fund shall bear the following costs unless otherwise specified in the Prospectus for the relevant Subfund:

- All taxes which may be payable on the assets, income and expenses chargeable to the Fund;
- Standard brokerage and bank charges incurred by the Fund through securities transactions in relation to the portfolio (these charges shall be included in the acquisition cost of such securities and deducted from the sale proceeds);
- A monthly management fee for the Management Company not exceeding the percentage amount indicated in the Prospectus, payable at the beginning of each following month, based on the average daily Net Asset Value of the relevant Unit Class during that month. The management fee may be charged at different rates for individual Subfunds and Unit Classes within a Subfund or may be waived in full. Further details of the management fees are included in the Prospectus;
- A monthly central administration fee for the Central Administration, calculated on the average Net Asset Value of the relevant Unit Class during that month and payable at the beginning of the next following month. The central administration fee may be charged at different rates for individual Subfunds and Unit Classes within a Subfund or may even be waived. Further details of the central administration fee may be found in the Prospectus;
- In addition to the monthly central administration fee, the Central Administration is entitled to an annual fee to be paid out of the net assets of the relevant Subfund for its services as registrar and transfer agent, as further disclosed in the Prospectus;
- Performance-related fees for the respective Subfunds, if applicable;
- Fees payable to the Depositary, which are charged at rates agreed from time to time with the Management Company on the basis of usual market rates prevailing in Luxembourg, and which are based on the net assets of the respective Subfund and/or the value of transferable securities and other assets held or determined as a fixed sum; the fees payable to the Depositary may not exceed the pre-determined percentage amount, although in certain cases the transaction fees and the fees of the Depositary's correspondents may be charged additionally;
- Fees payable to the paying agents (in particular, a coupon payment commission), Transfer Agents and the authorised representatives in the countries of registration;
- All other charges incurred for sales activities and other services rendered to the Fund but not mentioned in the present section; for certain Unit Classes, these fees may be borne in full or in part by the Management Company;
- Fees incurred for collateral management in relation to derivative transactions;
- Expenses, including those for legal advice, which may be incurred by the Management Company or the Depositary through measures taken on behalf of the Unitholders;
- The cost of preparing, depositing and publishing the Management Regulations and other documents in respect of the Fund, including notifications for registration, Key Investor Information Documents, prospectuses or memoranda for all government authorities and stock exchanges (including local securities dealers' associations) which are required in connection with the Fund or with offering the Units; the cost of printing and distributing annual and semi-annual reports for the Unitholders in all required languages, together with the cost of printing and distributing all

other reports and documents which are required by the relevant legislation or regulations of the above-mentioned authorities; the cost of book-keeping and calculating the daily Net Asset Value, the cost of notifications to Unitholders including the publication of prices for the Unitholders, the fees and costs of the Fund's auditors and legal advisers, and all other similar administrative expenses, and other expenses directly incurred in connection with the offer and sale of Units, including the cost of printing copies of the aforementioned documents or reports as are used in marketing the Fund Units. The cost of advertising may also be charged.

All recurring fees shall first be deducted from investment income, then from the gains from securities transactions and then from the Fund's assets. Other non-recurring fees, such as the costs for establishing new Subfunds or Unit Classes, may be written off over a period of up to five years.

The costs attributable to individual Subfunds shall be allocated directly to them, otherwise the costs shall be divided among the individual Subfunds in proportion to the net asset value of each Subfund.

**Article 15 – Accounting Year, Audit**

The accounting year of the Fund closes on 31 December of each year.

The Fund's assets shall be audited by an authorized independent auditor appointed by the Management Company. The auditor shall carry out the duties prescribed by the Law of 17 December 2010.

**Article 16 – Appropriation of Net Income and Capital Gains**

The Management Company may issue distribution and/or capital-growth Unit Classes within each Subfund as specified in the Prospectus.

1) Distribution Units
In the event of distribution Units being issued, the Management Company shall decide for each Subfund the extent to which distribution of net investment income shall be appropriated to the distribution Units. In addition, gains made on the sale of assets belonging to the Fund may be distributed to investors. Further distributions may be made from the Fund's assets in order to achieve an appropriate distribution ratio. In the event of a distribution, this may take place on an annual basis or at any intervals to be specified by the Management Company.

2) Capital-growth Units
Capital-growth Units in general capitalize their income. The income generated shall be used to increase the Net Asset Value of the Units after deduction of general costs (capital growth). However, the Management Company may, in accordance with the income appropriation policy as determined by the Board of Directors, distribute from time to time, in whole or in part, ordinary net income and/or realised capital gains as well as all non-recurring income, after deduction of realised capital losses.

3) General Information
Payment of income distributions shall be made in the manner described in the Prospectus.

Claims for distributions which are not made within five years shall lapse, and the assets involved shall revert to the respective Subfund.

**Article 17 – Amendments to the present Management Regulations**

The Management Company may, at any time, amend all or part of the present Management Regulations with the approval of the Depositary.

Any amendment of this Management Regulations will be deposited with the Registre de Commerce et des Sociétés of the Grand Duchy of Luxembourg and shall, unless otherwise determined, come into force on the day of signature of these Management Regulations. A note of deposit will be published in the Luxembourg "*Recueil Electronique des Sociétés Associations*" ("**RESA**").

**Article 18 – Information for Unitholders**

The audited annual reports shall be made available to Unitholders free of charge at the registered office of the Management Company and at such places as specified in the Prospectus within four months after the close of each accounting year. Unaudited semi-annual reports shall be made available in the same way within two months after the end of the accounting period to which they refer.

Other information regarding the Fund, as well as the Net Asset Value of the respective Unit Class and/or the issue and redemption prices of Units, may be obtained on any bank business day during normal business hours at the registered office of the Management Company.

All announcements to Unitholders, including any information relating to a suspension of the calculation of the Net Asset Value, shall, if required, be published in the RESA, "Luxemburger Wort" and various newspapers in those countries in which the Fund is admitted for public distribution. The Management Company may also place announcements in other newspapers and periodicals of its choice.

Investors may obtain the Prospectus, the Key Investor Information Document, the latest annual and semi-annual reports and copies of the Management Regulations free of charge from the registered offices of the Management Company. The relevant contractual agreements as well as the Management Company's articles of incorporation are available for inspection at the registered office of the Management Company during normal business hours.

**Article 19 – Lifetime, Liquidation and Merger**

The Fund and the Subfunds have been established for an unlimited period, unless otherwise specified for the relevant Subfund in the Prospectus. Unitholders, their heirs or other beneficiaries may not request the division or liquidation of the Fund or of one of the Subfunds. However, the Management Company may at any time, with the approval of the Depositary, terminate the Fund and dissolve individual Subfunds or individual Unit Classes.

A decision to liquidate the Fund shall be published in the RESA and shall also be announced in at least two other newspapers as well as in the countries in which the Fund is admitted for public distribution. Any decision to dissolve a Subfund shall be published in accordance with the provisions of the Prospectus. From the day the decision to liquidate is taken by the Management Company, no further Units shall be issued. However, Units may be still be redeemed provided equal treatment of Unitholders can be ensured. At the same time, a provision shall be made for all identifiable outstanding expenses and fees.

In case of liquidation of the Fund, a Subfund or a Unit Class, the Management Company shall dispose of the Fund's assets in the best interests of the Unitholders and shall instruct the Depositary to distribute the net liquidation proceeds (after deduction of liquidation costs) proportionately to the Unitholders. If it is in the interest of Unitholders, the Management Company may proceed with a redemption in kind (after deduction of liquidation costs) to Unitholders.

If the Management Company liquidates a Unit Class without terminating the Fund or a Subfund, it must redeem all Units of such Class at their then current Net Asset Value. Notice of redemption shall be published by the Management Company or notified to the Unitholders when permitted under Luxembourg laws and regulations, and the redemption proceeds shall be paid to the former Unitholders in the respective currency by the Depositary or Paying Agents.

Any liquidation and redemption proceeds that cannot be distributed to the Unitholders within a period of six months shall be deposited with the "Caisse de Consignation" in Luxembourg until the statutory period of limitation has elapsed.

Furthermore, the Management Company may in accordance with the definitions and conditions set out in Part I of the Law of 17 December 2010 decide to merge any Subfund, either as receiving or merging Subfund, with one or more Subfunds of the Fund by converting the Unit Class or Classes of one or more Subfunds into the Unit Class or Classes of another Subfund of the Fund. In such cases, the rights attaching to the various Unit Classes shall be determined by reference to the respective Net Asset Value of the respective Unit Classes on the effective date of such merger.

Moreover, the Management Company may decide to merge the Fund or any of its Subfunds, either as merging UCITS or as a receiving UCITS on a cross-border and domestic basis in accordance with the definitions and conditions set out in Part I of the Law of 17 December 2010.

Mergers shall be announced at least thirty days in advance in order to enable Unitholders to request the redemption or conversion of their Units.

**Article 20 – Statute of Limitations**

Any claims of the Unitholders in relation to distributions and allocations with respect to the Management Company or the Depositary shall lapse five years after the date of the event which gave rise to such claims.

**Article 21 – Applicable Law, Jurisdiction and binding Languages**

This Management Regulations are governed by the laws of the Grand Duchy of Luxembourg.

The District Court of Luxembourg shall have jurisdiction over all litigation arising between the Unitholders, the Management Company, the latter's shareholders and the Depositary. With respect to claims from investors in countries in which the Fund's units are offered and sold, the Management Company and/or the Depositary may, however, subject themselves and the Fund to the jurisdiction of the courts of those countries.

The English version of the present Management Regulations shall be binding. Translations (authorised by the Management Company and the Depositary) into languages of the countries in which the Units are offered and sold, may, however, be acknowledged by the Management Company and the Depositary as binding on them and the Fund.

Luxembourg, 9th January, 2026

**Buy & Hold Capital SGIIC S.A.**

By: SECRETARY OF THE BOARD

Title: ANTONIO ASPAS

**Cecabank, S.A., Branch in Luxembourg**

By: URGINIA LINARES
SECURITIES SERVICES

Title: CÉSAR PÉREZ
DEPOSITARY SUPERVISOR

# KEY INFORMATION DOCUMENT

This document provides you with essential information that you should know about this product. It is not commercial material. It is information required by law to help you understand the nature, risks, costs and potential benefits and losses of this product and to help you compare it with other products.

## Buy & Hold Luxembourg - B&H Equity, Class 1

### General information

| | | | |
|---|---|---|---|
| **Product:** | Buy & Hold Luxembourg - B&H Equity, Class 1 | **ISIN:** | LU1988110760 |
| **Entity:** | BUY & HOLD CAPITAL, SGIIC, S. A. | **Group:** | BUY & HOLD CAPITAL |
| **Web:** | www.buyandhold.es | **Regulator:** | CSSF |
| **Document date** | 31 de diciembre de 2025 | **For more information, call:** | 963 238 080 |

You are about to purchase a product that is not simple and may be difficult to understand.

## What is this product?

### Kind of product:

This fund complies with Directive 2009/65/EC (UCITS). It is an actively managed fund. This means that the management company, based on its analysis, adjusts the composition of the investment portfolio with the aim of maximizing profitability, trying to obtain a higher return than the market.

The investment decision-making process takes sustainability risks into account in the analysis; however, it does not promote environmental or social characteristics and does not have sustainable investment as its objective. The Sub-Fund is classified as an “Article 6” financial product in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

In the following link you can find more information about the fund in Spanish and English for free (Brochure, Annual Report, Prices, etc.):

www.buyandhold.es/estrategias-inversion/estrategia-inversion-acciones/bh-equity-lu

The depository of this fund is Cecabank S.A. Branch in Luxembourg

### Term:

The Product has been established for an indefinite duration. The Sub-fund offers daily redemption facilities under normal market conditions. Under certain market conditions, the Sub-fund may not be able to meet redemption requests. The Manufacturer may terminate the Product early. The amount you receive in the event of early termination may be less than the amount you invested.

### Investment Objectives:

The investment objective of Buy & Hold Luxembourg – B&H Equity (the "Sub-Fund") is to achieve long-term capital appreciation by investing worldwide (including emerging countries) on international stock markets.

The management takes as a reference the profitability of the MSDEWIN index, this index is merely informative.

### Investment Policy:

◦ In general, the Sub-Fund will focus on Equity Transferable Securities of small and mid-cap issuers, although it may also invest in other securities of large-cap issuers.

◦ In general, the Sub-Fund will direct its investments towards Equities Transferable Securities of small and mid-cap issuers, although it does not rule out investments in other securities of large-cap issuers.

◦ The Sub-Fund aims to invest at least 75% of its net asset value in Equity Transferable Securities, without being limited to specific domains, capitalizations or countries, which could result in concentration risks.

◦ Hedging strategies are used to try to limit exposure to currency movements between the Reference Currency of the Sub-Fund and the currencies of the investments. It cannot be guaranteed that this coverage will be successful.

◦ The Sub-Fund is exposed to leverage and therefore the value of units may rise or fall more rapidly than if there was no leverage.

◦ The shareholder may redeem their shares on a daily basis. The Management Company does not allow practices related to Market Timing, that is to say, that an investor subscribes and redeems systematically, within a short period of time, taking advantage of temporary differences and/or imperfections or deficiencies in the method of determining the Net Asset Value.

◦ This fund is for accumulation, that is, the returns obtained are reinvested. The fund will not distribute dividends.

### Retail investor to whom it is addressed:

◦ Any person of legal age, resident in Spain.

◦ It is aimed at investors seeking long-term capital growth through a diversified portfolio of fixed-income securities, who can tolerate losses in line with the risks of the fund, with an investment horizon aligned with that of the fund, and who have sufficient prior investment experience and financial knowledge.

◦ This Product has no minimum investment horizon, but it is designed for long-term investment. Therefore, you should be prepared to hold your investment in the Product for at least 6 years.

## What risks am I running and what could I get in return?

### Risk indicator

The risk indicator assumes that you will keep the product for 6 years. The actual risk can vary considerably in case of early exit, so you may recover less money.

The summary risk indicator is a guide to the level of risk of this product compared to other products. Shows how likely the product is to lose money due to changing markets or because we can't pay you.

We have classified this product in the risk class [4] on a scale of 7, in which 4 means «medium risk».

This evaluation qualifies the possibility of suffering losses in future profitability as «medium» and the probability that a bad market situation will affect the ability to pay you as a «possible».

The risks to which the policyholder is exposed are interest rate and credit, that is, the underlying investments of the product may be affected in their valuation by variations in the interest rate and movements in the risk premium of the issuers of the assets. in portfolio.

This product does not include any protection against future market developments, so you could lose part or all of your investment.

The product may have exposure to currency risk.

Investing in low-credit-quality fixed income or small-cap equities may adversely affect the liquidity of the fund.

This summary risk indicator does not take into account the eventual sustainability risk of the product.

### Profitability scenarios

What you get from this product will depend on future market developments, which are uncertain and cannot be accurately predicted.

The unfavorable, moderate, and favorable scenarios shown are illustrations based on the lowest, average, and highest profitability of the product over the past few years. 11 years. Markets could evolve very differently in the future.

| | | | |
|---|---|---|---|
| **Recommended maintenance period:** | **6 years** | | |
| **Investment:** | **€10.000** | | |
| **Scenarios** | | **Leave after 1 year** | **Leave after 6 years** |
| **Minimum:** | **There is no guaranteed minimum return. You could lose part or all of your investment.** | | |
| Stress | **What you could receive after costs** | €1.640 | €2.340 |
| | Average yield each year | -83,59% | -21,49% |
| Unfavorable | **What you could receive after costs** | €7.540 | €7.540 |
| | Average yield each year | -24,62% | -4,59% |
| Moderate | **What you could receive after costs** | €10.360 | €14.120 |
| | Average yield each year | 3,57% | 5,91% |
| Favorable | **What you could receive after costs** | €14.700 | €17.550 |
| | Average yield each year | 46,95% | 9,83% |

The figures presented include all the costs of the product itself, but may not include all the costs that you may have to pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also influence the amount you receive.

The stress scenario shows what you could receive in extreme market circumstances.

The return to the holding period in the unfavorable scenario occurred in the period: 31/12/2021 - 30/12/2022. The return to the holding period in the moderate scenario occurred in the period: 30/06/2015 - 30/06/2021. The profitability to the maintenance period in the favorable scenario occurred in the period: 31/12/2018 - 31/12/2024.

## What happens if Buy & Hold, S.G.I.I.C. can not pay?

As it is a collective investment institution, the insolvency situation of Buy & Hold SGIIC would not affect the assets invested in the product. The performance of the underlying assets in which the IIC invests are those that will determine the possibility of non-payment of the investment. There is no compensation or guarantee regime that protects the retail investor.

## What are the costs?

### Costs over time

The tables show the amounts that are taken out of your investment to cover different types of costs. These amounts depend on how much you invest and how long you have the product. The amounts shown are illustrations based on an example investment amount and different possible investment periods. We have assumed:

In the first year you would get back the amount you invested (0% annual return). For the other holding periods, we have assumed that the product behaves as shown in the moderate scenario.

10,000 EUR are invested.

| **Investment term** | **Leave after 1 year** | **Leave after 6 years** |
|---|---|---|
| **Total Costs** | **145 €** | **901 €** |
| Annual cost impact (*) | 1,5% | 1,5% |

(*)Reflects the extent to which costs reduce their performance each year throughout the maintenance period. For example, it shows that if you exit at the end of the recommended holding period, the average return you are expected to earn each year will be 7,36% before deducting the costs and the 5,91% after deducting costs.

## Composition of costs

| One-time costs at entry or exit | | Annual incidence of costs in case of after 1 year |
|---|---|---|
| Entry costs | There is no entry fee for this product. | 0 € |
| Exit costs | There is no exit fee for this product. | 0 € |

| Recurring costs charged each year | | |
|---|---|---|
| Management fees and other administrative or operating costs | 1,03% of the value of your investment per year.<br>This is an estimate based on actual costs from last year. Management commission, depositary costs and other operating costs are included, such as audit expenses. | 103 € |
| Operating costs | 0,14% of the value of your investment per year.<br>This is an estimate of the costs incurred when buying and selling the underlying assets of this product. The actual amount will vary depending on the volume of purchases and sales. | 14 € |

| Ancillary costs charged in specific circumstances | | |
|---|---|---|
| **Commissions on results (and participation in account)** | The commission on results is 7,00% of yields. The estimated commission is 0,28%. | 28 € |

## How long do I have to keep the investment and can I withdraw money early?

### Recommended holding period: 6 años

The shareholder may subscribe and redeem their shares on a daily basis. Orders placed by the participant after 4:00 p.m. CTE or on a non-business day will be processed together with those made the next business day. For these purposes, a business day is understood to be every day from Monday to Friday, except holidays in Luxembourg.

There is no commission for redemption.

## How can I claim?

In the event of any claim or query, participants may contact our website www.buyandhold.es. With regard to claims, participants may contact us through the following communication channels:

**Link:** relacionconinversores@buyandhold.es

## Other data of interest

https://www.buyandhold.es/ftpdata/files/PRIIPEquity.pdf

# KEY INFORMATION DOCUMENT

This document provides you with essential information that you should know about this product. It is not commercial material. It is information required by law to help you understand the nature, risks, costs and potential benefits and losses of this product and to help you compare it with other products.

## Buy & Hold Luxembourg - B&H Equity, Class 2

### General information

| | | | |
|---|---|---|---|
| **Product:** | Buy & Hold Luxembourg - B&H Equity, Class 2 | **ISIN:** | LU2278574558 |
| **Entity:** | BUY & HOLD CAPITAL, SGIIC, S. A. | **Group:** | BUY & HOLD CAPITAL |
| **Web:** | www.buyandhold.es | **Regulator:** | CSSF |
| **Document date** | December 31, 2025 | **For more information, call:** | 963 238 080 |

You are about to purchase a product that is not simple and may be difficult to understand.

## What is this product?

### Kind of product:

This fund complies with Directive 2009/65/EC (UCITS). It is an actively managed fund. This means that the management company, based on its analysis, adjusts the composition of the investment portfolio with the aim of maximizing profitability, trying to obtain a higher return than the market.
The investment decision-making process takes sustainability risks into account in the analysis; however, it does not promote environmental or social characteristics and does not have sustainable investment as its objective. The Sub-Fund is classified as an “Article 6” financial product in accordance with

In the following link you can find more information about the fund in Spanish and English for free (Brochure, Annual Report, Prices, etc.):

www.buyandhold.es/estrategias-inversion/estrategia-inversion-acciones/bh-equity-lu
The depository of this fund is Cecabank S.A. Branch in Luxembourg

### Term:

The Product has been established for an indefinite duration. The Sub-fund offers daily redemption facilities under normal market conditions. Under certain market conditions, the Sub-fund may not be able to meet redemption requests. The Manufacturer may terminate the Product early. The amount you receive in the event of early termination may be less than the amount you invested.

### Investment Objectives:

The investment objective of Buy & Hold Luxembourg – B&H Equity (the "Sub-Fund") is to achieve long-term capital appreciation by investing worldwide (including emerging countries) on international stock markets.

The management takes as a reference the profitability of the MSDEWIN index, this index is merely informative.

### Investment Policy:

◦ In general, the Sub-Fund will focus on Equity Transferable Securities of small and mid-cap issuers, although it may also invest in other securities of large-cap issuers.

◦ In general, the Sub-Fund will direct its investments towards Equities Transferable Securities of small and mid-cap issuers, although it does not rule out investments in other securities of large-cap issuers.

◦ The Sub-Fund aims to invest at least 75% of its net asset value in Equity Transferable Securities, without being limited to specific domains, capitalizations or countries, which could result in concentration risks.

◦ Hedging strategies are used to try to limit exposure to currency movements between the Reference Currency of the Sub-Fund and the currencies of the investments. It cannot be guaranteed that this coverage will be successful.

◦ The Sub-Fund is exposed to leverage and therefore the value of units may rise or fall more rapidly than if there was no leverage.

◦ The shareholder may redeem their shares on a daily basis. The Management Company does not allow practices related to Market Timing, that is to say, that an investor subscribes and redeems systematically, within a short period of time, taking advantage of temporary differences and/or imperfections or deficiencies in the method of determining the Net Asset Value.

◦ This fund is for accumulation, that is, the returns obtained are reinvested. The fund will not distribute dividends.

### Retail investor to whom it is addressed:

◦ Any person of legal age, resident in Spain.
◦ It is aimed at investors seeking long-term capital growth through a diversified portfolio of fixed-income securities, who can tolerate losses in line with the risks
◦ This Product has no minimum investment horizon, but it is designed for long-term investment. Therefore, you should be prepared to hold your investment in

## What risks am I running and what could I get in return?

### Risk indicator

The risk indicator assumes that you will keep the product for 6 years. The actual risk can vary considerably in case of early exit, so you may recover less money.

The summary risk indicator is a guide to the level of risk of this product compared to other products. Shows how likely the product is to lose money due to changing markets or because we can't pay you.

We have classified this product in the risk class [4] on a scale of 7, in which 4 means «medium risk».

This evaluation qualifies the possibility of suffering losses in future profitability as «medium» and the probability that a bad market situation will affect the ability to pay you as a «possible».

The risks to which the policyholder is exposed are interest rate and credit, that is, the underlying investments of the product may be affected in their valuation by variations in the interest rate and movements in the risk premium of the issuers of the assets. in portfolio.

This product does not include any protection against future market developments, so you could lose part or all of your investment.

The product may have exposure to currency risk.

Investing in low-credit-quality fixed income or small-cap equities may adversely affect the liquidity of the fund.

This summary risk indicator does not take into account the eventual sustainability risk of the product.

### Profitability scenarios

What you get from this product will depend on future market developments, which are uncertain and cannot be accurately predicted.

The unfavorable, moderate, and favorable scenarios shown are illustrations based on the lowest, average, and highest profitability of the product over the past few years. 11 years. Markets could evolve very differently in the future.

| | | | |
|---|---|---|---|
| **Recommended maintenance period:** | **6 years** | | |
| **Investment:** | **€10.000** | | |
| **Scenarios** | | **Leave after 1 year** | **Leave after 6 years** |
| **Minimum:** | **There is no guaranteed minimum return. You could lose part or all of your investment.** | | |
| Stress | **What you could receive after costs** | €2.910 | €2.700 |
| | Average yield each year | -70,89% | -19,63% |
| Unfavorable | **What you could receive after costs** | €7.460 | €7.340 |
| | Average yield each year | -25,36% | -5,03% |
| Moderate | **What you could receive after costs** | €10.170 | €12.480 |
| | Average yield each year | 1,72% | 3,77% |
| Favorable | **What you could receive after costs** | €14.450 | €15.720 |
| | Average yield each year | 44,55% | 7,83% |

The figures presented include all the costs of the product itself, but may not include all the costs that you may have to pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also influence the amount you receive.

The stress scenario shows what you could receive in extreme market circumstances.

The return to the holding period in the unfavorable scenario occurred in the period: 31/10/2017 - 31/03/2020 from the benchmark composed of: MSDEWIN index. The return to the holding period in the moderate scenario occurred in the period: 31/07/2015 - 30/07/2021from the benchmark composed of: MSDEWIN index. The profitability to the maintenance period in the favorable scenario occurred in the period: 31/12/2018 - 31/12/2024 from the benchmark composed of: MSDEWIN index.

## What happens if Buy & Hold, S.G.I.I.C. can not pay?

As it is a collective investment institution, the insolvency situation of Buy & Hold SGIIC would not affect the assets invested in the product. The performance of the underlying assets in which the IIC invests are those that will determine the possibility of non-payment of the investment. There is no compensation or guarantee regime that protects the retail investor.

## What are the costs?

### Costs over time

The tables show the amounts that are taken out of your investment to cover different types of costs. These amounts depend on how much you invest and how long you have the product. The amounts shown are illustrations based on an example investment amount and different possible investment periods. We have assumed:

In the first year you would get back the amount you invested (0% annual return). For the other holding periods, we have assumed that the product behaves as shown in the moderate scenario.

10,000 EUR are invested.

| **Investment term** | **Leave after 1 year** | **Leave after 6 years** |
|---|---|---|
| **Total Costs** | **244 €** | **1.489 €** |
| Annual cost impact (*) | 2,4% | 2,4% |

(*)Reflects the extent to which costs reduce their performance each year throughout the maintenance period. For example, it shows that if you exit at the end of the recommended holding period, the average return you are expected to earn each year will be 6,21% before deducting the costs and the 3,77% after deducting costs.

## Composition of costs

| One-time costs at entry or exit | | Annual incidence of costs in case of after 1 year |
|---|---|---|
| Entry costs | There is no entry fee for this product. | 0 € |
| Exit costs | There is no exit fee for this product. | 0 € |

| Recurring costs charged each year | | |
|---|---|---|
| Management fees and other administrative or operating costs | 2,02% of the value of your investment per year.<br>This is an estimate based on actual costs from last year. Management commission, depositary costs and other operating costs are included, such as audit expenses. | 202 € |
| Operating costs | 0,14% of the value of your investment per year.<br>This is an estimate of the costs incurred when buying and selling the underlying assets of this product. The actual amount will vary depending on the volume of purchases and sales. | 14 € |

| Ancillary costs charged in specific circumstances | | |
|---|---|---|
| **Commissions on results (and participation in account)** | The commission on results is 7,00% of yields. The estimated commission is 0,28%. | 28 € |

## How long do I have to keep the investment and can I withdraw money early?

### Recommended holding period: 6 años

The shareholder may subscribe and redeem their shares on a daily basis. Orders placed by the participant after 4:00 p.m. CTE or on a non-business day will be processed together with those made the next business day. For these purposes, a business day is understood to be every day from Monday to Friday, except holidays in Luxembourg.

There is no commission for redemption.

## How can I claim?

In the event of any claim or query, participants may contact our website www.buyandhold.es. With regard to claims, participants may contact us through the following communication channels:

**Link:** relacionconinversores@buyandhold.es

## Other data of interest

https://www.buyandhold.es/ftpdata/files/PRIIPEquity.pdf

# KEY INFORMATION DOCUMENT

This document provides you with essential information that you should know about this product. It is not commercial material. It is information required by law to help you understand the nature, risks, costs and potential benefits and losses of this product and to help you compare it with other products.

## Buy & Hold Luxembourg - B&H Equity, Class 3

### General information

| | | | |
|---|---|---|---|
| **Product:** | Buy & Hold Luxembourg - B&H Equity, Class 3 | **ISIN:** | LU2278574632 |
| **Entity:** | BUY & HOLD CAPITAL, SGIIC, S. A. | **Group:** | BUY & HOLD CAPITAL |
| **Web:** | www.buyandhold.es | **Regulator:** | CSSF |
| **Document date** | December 31, 2025 | **For more information, call:** | 963 238 080 |

You are about to purchase a product that is not simple and may be difficult to understand.

## What is this product?

### Kind of product:

This fund complies with Directive 2009/65/EC (UCITS). It is an actively managed fund. This means that the management company, based on its analysis, adjusts the composition of the investment portfolio with the aim of maximizing profitability, trying to obtain a higher return than the market.

The investment decision-making process takes sustainability risks into account in the analysis; however, it does not promote environmental or social characteristics and does not have sustainable investment as its objective. The Sub-Fund is classified as an “Article 6” financial product in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

In the following link you can find more information about the fund in Spanish and English for free (Brochure, Annual Report, Prices, etc.):

www.buyandhold.es/estrategias-inversion/estrategia-inversion-acciones/bh-equity-lu

The depository of this fund is Cecabank S.A. Branch in Luxembourg

### Term:

The Product has been established for an indefinite duration. The Sub-fund offers daily redemption facilities under normal market conditions. Under certain market conditions, the Sub-fund may not be able to meet redemption requests. The Manufacturer may terminate the Product early. The amount you receive in the event of early termination may be less than the amount you invested.

### Investment Objectives:

The investment objective of Buy & Hold Luxembourg – B&H Equity (the "Sub-Fund") is to achieve long-term capital appreciation by investing worldwide (including emerging countries) on international stock markets.

The management takes as a reference the profitability of the MSDEWIN index, this index is merely informative.

### Investment Policy:

◦ In general, the Sub-Fund will focus on Equity Transferable Securities of small and mid-cap issuers, although it may also invest in other securities of large-cap issuers.

◦ In general, the Sub-Fund will direct its investments towards Equities Transferable Securities of small and mid-cap issuers, although it does not rule out investments in other securities of large-cap issuers.

◦ The Sub-Fund aims to invest at least 75% of its net asset value in Equity Transferable Securities, without being limited to specific domains, capitalizations or countries, which could result in concentration risks.

◦ Hedging strategies are used to try to limit exposure to currency movements between the Reference Currency of the Sub-Fund and the currencies of the investments. It cannot be guaranteed that this coverage will be successful.

◦ The Sub-Fund is exposed to leverage and therefore the value of units may rise or fall more rapidly than if there was no leverage.

◦ The shareholder may redeem their shares on a daily basis. The Management Company does not allow practices related to Market Timing, that is to say, that an investor subscribes and redeems systematically, within a short period of time, taking advantage of temporary differences and/or imperfections or

◦ This fund is for accumulation, that is, the returns obtained are reinvested. The fund will not distribute dividends.

### Retail investor to whom it is addressed:

◦ Any person of legal age, resident in Spain.
◦ It is aimed at investors seeking long-term capital growth through a diversified portfolio of fixed-income securities, who can tolerate losses in line with the risks
◦ This Product has no minimum investment horizon, but it is designed for long-term investment. Therefore, you should be prepared to hold your investment in

## What risks am I running and what could I get in return?

### Risk indicator

The risk indicator assumes that you will keep the product for 6 years. The actual risk can vary considerably in case of early exit, so you may recover less money.

The summary risk indicator is a guide to the level of risk of this product compared to other products. Shows how likely the product is to lose money due to changing markets or because we can't pay you.

We have classified this product in the risk class [4] on a scale of 7, in which 4 means «medium risk».

This evaluation qualifies the possibility of suffering losses in future profitability as «medium» and the probability that a bad market situation will affect the ability to pay you as a «possible».

The risks to which the policyholder is exposed are interest rate and credit, that is, the underlying investments of the product may be affected in their valuation by variations in the interest rate and movements in the risk premium of the issuers of the assets. in portfolio.

This product does not include any protection against future market developments, so you could lose part or all of your investment.

The product may have exposure to currency risk.

Investing in low-credit-quality fixed income or small-cap equities may adversely affect the liquidity of the fund.

This summary risk indicator does not take into account the eventual sustainability risk of the product.

### Profitability scenarios

What you get from this product will depend on future market developments, which are uncertain and cannot be accurately predicted.

The unfavorable, moderate, and favorable scenarios shown are illustrations based on the lowest, average, and highest profitability of the product over the past few years. 11 years. Markets could evolve very differently in the future.

| | | | |
|---|---|---|---|
| **Recommended maintenance period:** | **6 years** | | |
| **Investment:** | **€10.000** | | |
| **Scenarios** | | **Leave after 1 year** | **Leave after 6 years** |
| **Minimum:** | **There is no guaranteed minimum return. You could lose part or all of your investment.** | | |
| Stress | **What you could receive after costs** | €2.390 | €2.330 |
| | Average yield each year | -76,06% | -21,54% |
| Unfavorable | **What you could receive after costs** | €7.600 | €7.610 |
| | Average yield each year | -24,00% | -4,46% |
| Moderate | **What you could receive after costs** | €10.380 | €14.140 |
| | Average yield each year | 3,75% | 5,94% |
| Favorable | **What you could receive after costs** | €14.570 | €17.840 |
| | Average yield each year | 45,68% | 10,12% |

The figures presented include all the costs of the product itself, but may not include all the costs that you may have to pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also influence the amount you receive.

The stress scenario shows what you could receive in extreme market circumstances.

The return to the holding period in the unfavorable scenario occurred in the period: 31/12/2021 - 30/12/2022. The return to the holding period in the moderate scenario occurred in the period: 31/07/2015 - 30/07/2021from the benchmark composed of: MSDEWIN index. The profitability to the maintenance period in the favorable scenario occurred in the period: 31/12/2018 - 31/12/2024 from the benchmark composed of: MSDEWIN index.

## What happens if Buy & Hold, S.G.I.I.C. can not pay?

As it is a collective investment institution, the insolvency situation of Buy & Hold SGIIC would not affect the assets invested in the product. The performance of the underlying assets in which the IIC invests are those that will determine the possibility of non-payment of the investment. There is no compensation or guarantee regime that protects the retail investor.

## What are the costs?

### Costs over time

The tables show the amounts that are taken out of your investment to cover different types of costs. These amounts depend on how much you invest and how long you have the product. The amounts shown are illustrations based on an example investment amount and different possible investment periods. We have assumed:

In the first year you would get back the amount you invested (0% annual return). For the other holding periods, we have assumed that the product behaves as shown in the moderate scenario.

10,000 EUR are invested.

| **Investment term** | **Leave after 1 year** | **Leave after 6 years** |
|---|---|---|
| **Total Costs** | **36 €** | **224 €** |
| Annual cost impact (*) | 0,4% | 0,4% |

(*)Reflects the extent to which costs reduce their performance each year throughout the maintenance period. For example, it shows that if you exit at the end of the recommended holding period, the average return you are expected to earn each year will be 6,30% before deducting the costs and the 5,94% after deducting costs.

## Composition of costs

| One-time costs at entry or exit | | Annual incidence of costs in case of after 1 year |
|---|---|---|
| Entry costs | There is no entry fee for this product. | 0 € |
| Exit costs | There is no exit fee for this product. | 0 € |

| Recurring costs charged each year | | |
|---|---|---|
| Management fees and other administrative or operating costs | 0,22% of the value of your investment per year.<br>This is an estimate based on actual costs from last year. Management commission, depositary costs and other operating costs are included, such as audit expenses. | 22 € |
| Operating costs | 0,14% of the value of your investment per year.<br>This is an estimate of the costs incurred when buying and selling the underlying assets of this product. The actual amount will vary depending on the volume of purchases and sales. | 14 € |

| Ancillary costs charged in specific circumstances | | |
|---|---|---|
| **Commissions on results (and participation in account)** | There is no performance commission for this product. | 0 € |

## How long do I have to keep the investment and can I withdraw money early?

### Recommended holding period: 6 años

The shareholder may subscribe and redeem their shares on a daily basis. Orders placed by the participant after 4:00 p.m. CTE or on a non-business day will be processed together with those made the next business day. For these purposes, a business day is understood to be every day from Monday to Friday, except holidays in Luxembourg.

There is no commission for redemption.

## How can I claim?

In the event of any claim or query, participants may contact our website www.buyandhold.es. With regard to claims, participants may contact us through the following communication channels:

**Link:** relacionconinversores@buyandhold.es

## Other data of interest

https://www.buyandhold.es/ftpdata/files/PRIIPEquity.pdf