


VISA 2019/155969-10932-0-PC

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

Luxembourg, le 2019-04-04

Commission de Surveillance du Secteur Financier



## **Jyske SICAV**

*Société d'investissement à capital variable (SICAV)*

an undertaking for collective investment in transferable securities (UCITS)  
in the form of an open-ended investment company with variable share capital

subject to the Luxembourg law of 17 December 2010 relating to  
undertakings for collective investment, as amended

## **Prospectus**

**15 April 2019**

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## 1. INTRODUCTION

This Prospectus contains information about Jyske SICAV that a prospective investor should consider before investing in the Fund and should be retained for future reference.

The Fund is a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund has been authorised by the *Commission de Surveillance du Secteur Financier* (CSSF) which is the Luxembourg supervisory authority of the financial market. However, such authorisation does not require the CSSF to approve or disapprove either the adequacy or accuracy of this Prospectus or the portfolio of assets held by the Fund. Any declaration to the contrary should be considered as unauthorised and illegal.

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Shares in the Fund are shares in a specific Sub-Fund. The Fund may issue Shares of different Share Classes in each Sub-Fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors. Investors should refer to the Supplement for further information on characteristics of Share Classes.

The Fund has been incorporated in Luxembourg on 5 December 2016. The Fund is registered with the Luxembourg Trade and Companies Register under number B210943. The latest version of the Articles of Association dated 31 August 2017 was published in the *Recueil électronique des sociétés et associations* ("RESA"), the central electronic platform of the Grand-Duchy of Luxembourg.

This Prospectus is based on information, law and practice at the date hereof. The Fund cannot be bound by an out of date prospectus when it has issued a new prospectus, and investors should check with Management Company and on <http://www.jyskesicav.lu> that this is the most recently published prospectus. Neither delivery of the Prospectus nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information contained in this Prospectus is supplemented by the financial statements and further information contained in the latest Annual Report and Semi-Annual Report of the Fund, copies of which may be requested free of charge at the registered office of the Fund and on <http://www.jyskesicav.lu> and [http://www.ubs.com/lu/en/asset\\_management/](http://www.ubs.com/lu/en/asset_management/).

No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Prospectus and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorised.

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

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of any persons wishing to make an application for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. In particular, the Board of Directors has decided that US Persons would be considered as Prohibited Persons.

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into the languages specified by the regulatory authorities of those jurisdictions. In case of inconsistency between the translated and the English version of this Prospectus, the English version shall prevail. The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing. In particular, anti-money laundering measures in force in the Grand Duchy of Luxembourg require the Fund or its agent to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the relationship on an ongoing basis. Failure to provide information or documentation may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisers to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

**THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE FUND INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL.**

## 2. DIRECTORY

<p><b>Registered office of the Fund</b></p> <p>33A, avenue J. F. Kennedy L-1855 Luxembourg</p> <p><b>Board of Directors</b></p> <p>Jan Tang Sørensen, Director, CEO Tang Financial ApS Vejlsøvej 51, DK-8600 Silkeborg</p> <p>Hans Jørgen Larsen, Managing Director Jyske Bank A/S Vestergade 8-16, DK-8600 Silkeborg</p> <p>Henning Mortensen, Senior Director Jyske Bank A/S Vestergade 8-16, DK-8600 Silkeborg</p> <p>Claude Kremer, Director, Partner Arendt &amp; Medernach SA 41A, avenue J.F. Kennedy L-2082 Luxembourg</p> <p><b>Management Company</b></p> <p>UBS Fund Management (Luxembourg) S.A. 33A, avenue J. F. Kennedy L-1855 Luxembourg</p>	<p><b>Executive Board of the Management Company</b></p> <p>Valérie Bernard Executive Director UBS Fund Management (Luxembourg) S.A. Luxembourg</p> <p>Geoffrey Lahaye Director UBS Fund Management (Luxembourg) S.A. Luxembourg</p> <p>Federica Ghirlandini Director UBS Fund Management (Luxembourg) S.A. Luxembourg</p> <p><b>Depositary</b></p> <p>UBS Europe SE, Luxembourg Branch 33A, avenue J. F. Kennedy L-1855 Luxembourg</p> <p><b>Administrator</b></p> <p>Northern Trust Global Services SE 6, rue Lou Hemmer L-1748 Luxembourg</p> <p><b>Paying Agent</b></p> <p>UBS Europe SE, Luxembourg Branch 33A, avenue J. F. Kennedy L-1855 Luxembourg</p> <p><b>Investment Manager</b></p> <p>Jyske Bank A/S Vestergade 8-16 DK-8600 Silkeborg</p> <p><b>Domiciliation Agent</b></p> <p>UBS Fund Management (Luxembourg) S.A. 33A, avenue J. F. Kennedy L-1855 Luxembourg</p>
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<p><b>Board of Directors of the Management Company</b></p> <p>Chairman</p> <p>André Müller-Wegner Managing Director UBS AG Basel and Zurich</p> <p>Members</p> <p>Andreas Schlatter Mathematician (PhD) Independent Director Kuettigen, Switzerland</p> <p>Pascale Kistler Managing Director UBS AG Basel and Zurich</p> <p>Gilbert Schintgen Independent Director Luxembourg</p>	<p><b>Global Distributor</b></p> <p>Jyske Bank A/S Vestergade 8-16 DK-8600 Silkeborg</p> <p><b>Auditor</b></p> <p>PricewaterhouseCoopers <i>Société coopérative</i> 2, rue Gerhard Mercator L-2182 Luxembourg</p> <p><b>Legal adviser as to matters of Luxembourg law</b></p> <p>Arendt &amp; Medernach SA 41A, avenue J. F. Kennedy L-2082 Luxembourg</p>
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### 3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
1993 Law	the Luxembourg law of 5 April 1993 on the financial sector, as may be amended from time to time.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
Administration Agreement	the agreement entered into between the Management Company and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration, registrar and transfer agent appointed by the Management Company in accordance with the provisions of the 2010 Law and the Administration Agreement, as identified in the Directory.
Annual Report	the report issued by the Fund as of the end of the latest financial year in accordance with the 2010 Law.
Articles of Association	the articles of association of the Fund, as may be amended from time to time.
Board of Directors	the board of directors of the Fund.
Business Day	means unless otherwise provided for in the relevant Appendix, a day on which banks in Luxembourg are open for business except individual, non-statutory rest days and days on which stock exchanges in the main countries in which the sub-fund invests are closed or 50% or more sub-fund investments cannot be adequately valued. "Non-statutory rest days" are days, on which several banks and financial institutions are closed. For the avoidance of doubt, half-closed bank business days in Luxembourg are considered as being closed for business.
Capitalisation Shares	Shares with respect to which the Fund does not intend to distribute dividends.
Code of Conduct	the code of conduct adopted by the Board of Directors on the basis of the corporate governance principles issued by the Association of the Luxembourg Fund Industry, as may be amended or supplemented from time to time.



Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares.
Conversion Fee	a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable, if not otherwise decided by the Board of Directors.
CSSF	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector.
Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund or Share Class in the Supplement.
Depositary	the depositary bank appointed by the Fund in accordance with the provisions of the 2010 Law and the Depositary Agreement, as identified in the Directory.
Depositary Agreement	the agreement entered into between the Fund and the Depositary governing the appointment of the Depositary, as may be amended or supplemented from time to time.
Directive 2005/60/EC	Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing as may be amended from time to time.
Directive 2009/65/EC or the UCITS Directive	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) (recast), as may be amended from time to time.

Directive 2013/34/EU	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as may be amended from time to time.
Directive 2013/36/EU	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as may be amended from time to time.
Distribution Shares	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
Distributors	intermediaries appointed by the Fund or the Global Distributor to distribute the Shares.
Eligible Investor	an investor who satisfies all additional eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement.
ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR	the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
FATCA	the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).
FATCA Eligible Investors	one or more person qualifying as Exempt Beneficial Owners, Active Non-Financial Foreign Entities, US Persons that are not Specified US Person, or Financial Institutions that are not Nonparticipating Financial Institutions, as each defined by the IGA.
Finanstilsynet	the Danish supervisory authority of the financial sector.
Fund	Jyske SICAV.
Global Distributor	the global distribution agent appointed by the Management Company in accordance with the provisions of the 2010 Law and the Global Distribution Agreement, as identified in the Directory.

Global Distribution Agreement	the agreement entered into between the Management Company and the Global Distributor governing the appointment of the Global Distributor, as may be amended or supplemented from time to time.
IGA	the intergovernmental agreement concluded between Luxembourg and the United States of America on 28 March 2014 to improve international tax compliance with respect to FATCA and implemented by the Luxembourg law of 24 July 2015.
Initial Offer	the first day or period on or during which Shares of a Share Class will be or were available for subscription.
Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer.
Institutional Investor	an institutional investor as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF.
Investment Management Agreement	the agreement entered into between the Management Company and the Investment Manager governing the appointment of the Investment Manager, as may be amended or supplemented from time to time.
Investment Manager	the investment manager appointed by the Management Company in accordance with the provisions of the 2010 Law and the Investment Management Agreement, as identified in the Directory.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.
Management Company	the management company appointed by the Fund in accordance with the provisions of the 2010 Law and the Management Company Agreement, as identified in the Directory.
Management Company Agreement	the agreement entered into between the Fund and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.
Management Company Fee	the fee payable by the Fund to the Management Company under the Management Company Agreement, as described in section 9.2 (Management Company Fee) of this Prospectus.
Management Fee	the fee payable by the Management Company to the Investment Manager and Global Distributor out of the assets of each Sub-Fund as described in section 9.3 (Management Fee) of this Prospectus.
MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as may be amended from time to time.

Member State	a State that is a contracting party to the Agreement creating the European Union. The States that are contracting parties to the Agreement creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
Money Market Instrument	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
Net Asset Value	as the context indicates, the Net Asset Value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.
New Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
Non-Member State	any State, other than a Member State, in Europe, America, Africa, Asia or Oceania.
OECD	the Organisation for Economic Cooperation and Development.
Original Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
Paying Agent	the paying agent appointed by the Management Company and the Fund, as identified in the Directory.
Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Association and section 7.10 (Prohibited Persons) of the Prospectus.
Prospectus	this prospectus including all Supplements, as may be amended from time to time.
Redemption Day	a Valuation Day on which Shares may be redeemed by the Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit redemptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.

Redemption Fee	a fee which the Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Redemption Price	the price at which the Fund may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Prospectus.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming investors, subject to the further provisions of this Prospectus.
Reference Currency	as the context indicates, (i) in relation to the Fund, the Euro, or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement, or (iii) in relation to a Sub-Fund or Share Class, the currency in which the Shares of that Sub-Fund or Share Class are denominated, as specified in each Supplement.
Regulated Market	a regulated market within the meaning of MiFID.
Semi-Annual Report	the report issued by the Fund as of the first half of the current financial year in accordance with the 2010 Law.
Share Class	a class of Shares of a Sub-Fund created by the Board of Directors, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus. For the purposes of this Prospectus, each Sub-Fund shall be deemed to comprise at least one Share Class.
Shares	shares of a Sub-Fund or Share Class issued by the Fund.
Sub-Fund	a sub-fund of the Fund, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus.
Subscription Day	a Valuation Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit subscriptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Prospectus.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement.
Supplement	the supplement(s) to this Prospectus for each specific Sub-Fund, which form part of this Prospectus.
Swing Factor	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Swing Threshold	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Target Sub-Fund	a Sub-Fund into which another Sub-Fund has invested in accordance with the provisions of this Prospectus.
Transferable Security	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.
UCI	undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS	undertaking for collective investment in transferable securities.
UCITS Directive	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) (recast), as may be amended from time to time.

US Person

is any person who:

- (i) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder;
- (ii) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k));
- (iii) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));
- (iv) is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or
- (v) any trust, entity or other structure formed for the purpose of allowing US Persons to invest in the Fund.

As US Person shall further be considered:

- (i) an “employee benefit plan” within the meaning of Section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”) that is subject to Title I of ERISA,
- (ii) a “plan” within the meaning of Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (“IRC”),
- (iii) an entity whose underlying assets include “plan assets” subject to Title I of ERISA or Section 4975 of the IRC, or
- (iv) a governmental plan or another type of plan (or an entity whose assets are considered to include the assets of any such governmental or other plan) that is subject to any law, rule or restriction that is similar to Section 406 of ERISA or Section 4975 of the IRC.

Valuation Day

a Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.

## **4. INVESTMENT STRATEGY AND RESTRICTIONS**

Each Sub-Fund has a specific investment objective and policy described in its Supplement. The investments of each Sub-Fund must comply with the provisions of the 2010 Law. The investment restrictions and policies set out in this section apply to all Sub-Funds, without prejudice to any specific rules adopted for a Sub-Fund, as described in its Supplement where applicable. The Board of Directors may impose additional investment guidelines for each Sub-Fund from time to time, for instance where it is necessary to comply with local laws and regulations in countries where Shares are distributed. Each Sub-Fund should be regarded as a separate UCITS for the purposes of this section.

### **4.1 Authorised investments**

**4.1.1** The investments of each Sub-Fund must comprise only one or more of the following.

- (A) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.
- (B) Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public.
- (C) Transferable Securities and Money Market Instruments admitted to the official listing on a stock exchange in a Non-Member State or dealt in on another market in a Non-Member State which is regulated, operates regularly and is recognised and open to the public (i.e. stock exchanges or other regulated markets in any country of the Americas, Europe, Africa, Asia and 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 a stock exchange or dealing on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, and that such admission is secured within one year of issue.
- (E) Units of UCITS or other UCI, whether or not established in a Member State, provided that the following conditions are satisfied:
  - (1) such other UCI are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - (2) the level of protection for unitholders in such other UCI is equivalent to that provided for 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 the UCITS Directive;
  - (3) the business of the other UCI is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
  - (4) no more than 10% of the assets of the UCITS or the other UCI whose acquisition is contemplated can, according to their constitutive



documents, be invested in aggregate in units of other UCITS or other UCI.

- (F) Deposits with credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, which are repayable on demand or have the right to be withdrawn and maturing in no more than twelve months.
- (G) Financial derivative instruments, including equivalent cash-settled instruments, listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, or financial derivative instruments dealt in over-the-counter (OTC) provided that:
  - (1) the underlying consists of assets covered by this section 4.1.1 including instruments with one or more characteristics of those assets, and/or financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective;
  - (2) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - (3) 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 initiative of the Fund.
- (H) Money Market Instruments other than those dealt in on a Regulated Market or dealt in on another market in a non-Member State which is regulated, operates regularly and is recognised and open to the public, provided that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and that such instruments are:
  - (1) 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;
  - (2) issued by an undertaking any securities of which are listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section;
  - (3) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
  - (4) issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that set out in paragraphs (H)(1) to (H)(3) of this section and provided that the issuer is a company whose capital and reserves amount to at least EUR

10,000,000 and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- 4.1.2** Each Sub-Fund may invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those identified in paragraphs (A) to (D) and (H) of this section.
- 4.1.3** Each Sub-Fund may hold ancillary liquid assets. Liquid assets held to cover exposure to financial derivative instruments do not fall under this restriction. Each Sub-Fund may exceptionally and temporarily hold liquid assets on a principal basis if the Board of Directors considers this to be in the best interest of its investors.
- 4.1.4** Each Sub-Fund may borrow up to 10% of its net assets on a temporary basis. Collateral arrangements to cover exposure to financial derivative instruments are not considered borrowings for the purposes of this restriction. Each Sub-Fund may also acquire foreign currency by means of a back-to-back loan.
- 4.1.5** The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business. Each Sub-Fund may borrow up to 10% of its net assets for this purpose. However, the total amount of borrowing for this purpose and any borrowing on a temporary basis permitted by section 4.1.4 above may not exceed 15% of the net assets of the Sub-Fund.
- 4.1.6** Each Sub-Fund may invest into shares issued by other Sub-Funds of the Fund (called Target Sub-Funds) provided that, during the period of investment:
- (A) the Target Sub-Fund does not, in turn, invest in the investing Sub-Fund and no more than 10% of the net assets of the Target Sub-Fund may be invested in other Sub-Funds;
  - (B) the voting rights attached to such Shares of the Target Sub-Fund are suspended; and
  - (C) the value of such Shares of the Target Sub-Fund will not be taken into consideration for the calculation of the Net Asset Value of the Fund for the purposes of verifying the minimum threshold of net assets imposed by the 2010 Law.

## **4.2 Prohibited investments**

- 4.2.1** The Sub-Funds may not acquire commodities or precious metals or certificates representing them or hold any option, right or interest therein. Investments in debt instruments linked to, or backed by the performance of, commodities or precious metals do not fall under this restriction.
- 4.2.2** Except as set out in section 4.1.5, the Sub-Funds may not invest in real estate or hold any option, right or interest in real estate. Investments in debt instruments linked to or backed by the performance of real estate or interests therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, are not affected by this restriction.

- 4.2.3** The Sub-Funds may not grant loans or guarantees in favour of a third party. Such restriction will not prevent any Sub-Fund from investing in Transferable Securities, Money Market Instruments, units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1 which are not fully paid-up. Furthermore, such restriction will not prevent any Sub-Fund from entering into repurchase agreements, buy-sell back transactions or securities lending transactions as described in section 4.6 (Efficient portfolio management techniques) below.
- 4.2.4** The Sub-Funds may not enter into uncovered sales of Transferable Securities, Money Market Instruments, units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1.

### **4.3 Risk diversification limits**

- 4.3.1** If an issuer or body is a legal entity with multiple sub-funds or compartments where the assets of each sub-fund or compartment are exclusively reserved to the investors of that sub-fund or compartment and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund or compartment, each sub-fund or compartment is to be considered as a separate issuer or body for the purpose of the application of the risk diversification rules.

#### **Transferable Securities and Money Market Instruments**

- 4.3.2** No Sub-Fund may purchase additional Transferable Securities or Money Market Instruments of any single issuer if, upon such purchase:
- (A) more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of such issuer; or
  - (B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of its net assets.
- 4.3.3** The limit of 10% set out in section 4.3.2, paragraph (A) is increased to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities ("Covered Bonds"). In particular, the proceeds from the issue of Covered Bonds must be invested, in accordance with applicable law, in assets which are capable of covering claims attached to such bonds until their maturity and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of accrued interest. To the extent a Sub-Fund invests more than 5% of its net assets in Covered Bonds, the total value of such investments may not exceed 80% of its net assets. Covered Bonds are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (B).
- 4.3.4** The limit of 10% set out in section 4.3.2, paragraph (A) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any non-Member State or by a public international body of which one or more Member States are members. Such securities are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (B).

**4.3.5** Notwithstanding the limits set out above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one of its local authorities, by a member State of the OECD or the Group of Twenty (G20), by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China or by a public international body of which one or more Member States are members, provided that the Sub-Fund holds in its portfolio securities from at least six different issues and that securities from any issue do not account for more than 30% of the net assets of the Sub-Fund.

#### **Financial derivative instruments and efficient portfolio management techniques**

**4.3.6** The counterparty risk exposure arising from OTC derivative transactions and efficient portfolio management techniques (as described below) undertaken with a single body for the benefit of a Sub-Fund may not exceed 10% of the net assets of the Sub-Fund where the counterparty is credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, or 5% of its net assets in other cases.

#### **Bank deposits**

**4.3.7** Each Sub-Fund may invest up to 20% of its net assets in deposits made with a single body.

#### **Combined limits**

**4.3.8** Notwithstanding the individual limits set out in sections 4.3.2, 4.3.6 and 4.3.7, a Sub-Fund may not combine, where this would lead to an exposure of more than 20% of its net assets to a single body:

- (A) investments in Transferable Securities or Money Market Instruments issued by that body;
- (B) bank deposits made with that body; and
- (C) counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques (as described below) undertaken with that body.

**4.3.9** The limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not be combined: investments in Transferable Securities or Money Market Instruments, bank deposits, counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques, issued by or undertaken with, a single issuer or body, each in accordance with the limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not exceed a total of 35% of the net assets of the Sub-Fund.

**4.3.10** For the purposes of the combined limits set out in sections 4.3.8 and 4.3.9, issuers or bodies that are part of the same group of companies are considered as a single issuer or body. A group of companies comprises all companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules.

## **Index-replicating Sub-Funds**

- 4.3.11** Without prejudice to the limits laid down in section 4.4 (Control limits) below, the limits set out in section 4.3.2 are raised to 20% for investments in Transferable Securities or Money Market Instruments issued by a single issuer where the investment objective of the Sub-Fund is to replicate the composition of a certain financial index of stock or debt securities which is recognised by the CSSF.
- 4.3.12** The limit of 20% set out in the preceding section is raised to 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, provided that any investment up to this 35% limit is only permitted for a single issuer.
- 4.3.13** A financial index is an index which complies, at all times, with the following conditions: the composition of the index is diversified in accordance with the limits set out in sections 4.3.11 and 4.3.12, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

## **Shares or units of UCITS or other UCI**

- 4.3.14** If a Sub-Fund is permitted to invest in aggregate more than 10% of its net assets in units of UCITS or other UCI, as specified in its Supplement:
- (A) investments made in units of a single other UCITS or other UCI may not exceed 20% of the net assets of the Sub-Fund; and
  - (B) investments made in units of other UCI may not, in aggregate, exceed 30% of the net assets of the Sub-Fund.
- 4.3.15** The underlying assets of the UCITS or other UCI into which a Sub-Fund invests do not have to be combined with any other direct or indirect investment of the Sub-Fund into such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.
- 4.3.16** If a Sub-Fund invests in units of UCITS or other UCI that are managed, directly or by delegation, by the Management Company or by any other company which is linked to the Management Company by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such UCITS and/or other UCI.
- 4.3.17** If a Sub-Fund invests a substantial proportion of its assets in UCITS or other UCI, the Supplement will disclose the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the UCITS or other UCI in which it intends to invest. The Fund will disclose in the Annual Report the maximum proportion of management fees charged to both the Sub-Fund itself and the UCITS or other UCI in which the Sub-Fund invests.

## **Derogation**

**4.3.18** During the first six (6) months following its launch, a new Sub-Fund may derogate from the limits set out in this section 4.3 (Risk diversification limits) above, provided that the principle of risk-spreading is complied with.

### **4.4 Control limits**

**4.4.1** The Fund may not acquire such amount of shares carrying voting rights which would enable the Fund to exercise legal or management control or to exercise a significant influence over the management of the issuer.

**4.4.2** The Fund may acquire no more than 10% of the outstanding non-voting shares of the same issuer.

**4.4.3** The Fund may acquire no more than:

- (A) 10% of the outstanding debt securities of the same issuer;
- (B) 10% of the Money Market Instruments of any single issuer; or
- (C) 25% of the outstanding units of the same UCITS or other UCI.

**4.4.4** The limits set out in section 4.4.3 may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

**4.4.5** The limits set out in sections 4.4.1 to 4.4.3 do not apply in respect of:

- (A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- (B) Transferable Securities and Money Market Instruments issued or guaranteed by any non-Member State;
- (C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members;
- (D) shares in the capital of a company which is incorporated under or organised pursuant to the laws of a non-Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set out in section 4.3 (Risk diversification limits) above (with the exceptions of sections 4.3.5 and 4.3.11 to 4.3.13) and sections 4.4.1 to 4.4.3; and
- (E) shares held by the Fund in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

## 4.5 Financial derivative instruments

### 4.5.1 General

Each Sub-Fund may use financial derivative instruments such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Financial derivative instruments used by any Sub-Fund may include, without limitation, the following categories of instruments.

- (A) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of an underlying asset at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- (B) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- (C) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- (D) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- (E) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.
- (F) Credit default swaps: a credit default swap or CDS is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread. Credit default swaps may be purchased and/or sold by any Sub-Fund for hedging purposes and for the purpose of efficient portfolio management.
- (G) Total return swaps: a total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.
- (H) Contracts for differences: a contract for differences or CFD is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

Each Sub-Fund must hold at any time sufficient liquid assets to cover its financial obligations arising under financial derivative instruments used.

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 Sub-Fund, as further described in section 4.8 (Global exposure limits) under.

The exposure of a Sub-Fund to underlying assets referenced by financial derivative instruments, combined with any direct investment in such assets, may not exceed in aggregate the investment limits set out in section 4.3 (Risk diversification limits) above. However, to the extent a Sub-Fund invests in financial derivative instruments referencing financial indices (as described in section 4.5.3) the exposure of the Sub-Fund to the underlying assets of the financial indices do not have to be combined with any direct or indirect investment of the Sub-Fund in such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.

Where a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account in complying with the risk diversification rules, global exposure limits and information requirements of this section 4 applicable to financial derivative instruments.

#### **4.5.2 OTC financial derivative instruments**

Each Sub-Fund may invest into financial derivative instruments that are traded 'over-the-counter' or OTC including, without limitation, total return swaps or other financial derivative instruments with similar characteristics, in accordance with its investment objective and policy and the conditions set out in this section 4. Such OTC financial derivative instruments will be safe-kept with the Depositary.

The counterparties to OTC financial derivative instruments will be selected among financial institutions from OECD member states subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction, being of good reputation and having a minimum rating of BBB. The identity of the counterparties will be disclosed in the Annual Report. The counterparties will have no discretion over the composition or management of the portfolio of the Sub-Fund or the underlying assets of the financial derivative instruments. Otherwise, for regulatory purposes, the agreement between the Fund and such counterparty will be considered as an investment management delegation.

The Management Company uses a process for accurate and independent assessment of the value of OTC financial derivative instruments in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC financial derivative instruments, the Sub-Fund may receive cash or other assets as collateral, as further specified in section 4.7 (Collateral policy) below. The Fund will generally to the extent required by law, require the counterparty to an OTC financial derivative instrument to post collateral in favour of a Sub-Fund representing, at any time during the lifetime of the agreement, up to 100% of a Sub-Fund's exposure under the transaction, and the Fund will be required to do so vice-versa.



In particular, each Sub-Fund may employ total return swaps (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, Regulation (EU) 2015/2365).

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depository, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement. All revenues arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

#### **4.5.3 Financial indices**

Each Sub-Fund may use financial derivative instruments to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in section 4.1 (Authorised investments) above and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a 'financial index' is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

#### **4.5.4 Currency hedging on share class level**

For Share Classes with a "Yes" to "Currency Hedged Share Class" in section 11 of the Supplements, the fluctuation risk of the price for those Share Classes in the Reference Currency of the relevant Share Class is hedged against the Reference Currency of the relevant Sub-Fund. Provision is made for the amount of the hedging to be between 95% and 105% of the Net Asset Value of the Share Class in foreign currency. Changes in the market value of the portfolio, as well as in subscriptions and redemptions of Share Classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The Fund and the Investment Manager will then take all the necessary steps to bring the hedging back within the aforementioned limits. Given that there is no segregation of liabilities between Share Classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to Share Classes which have "hedged" in their name could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same Sub-Fund.

#### **4.6 Efficient portfolio management techniques**

Each Sub-Fund may employ techniques and instruments (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to CSSF circulars 08/356 and 14/592, ESMA guidelines 2014/937 and regulation (EU) 2015/2365) relating to Transferable Securities and Money Market Instruments, such as securities lending transactions, repurchase agreements and

buy-sell back transactions, provided that such techniques and instruments are used for the purposes of efficient portfolio management in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under a securities lending transaction, repurchase agreements and buy-sell back transactions the Sub-Fund will receive cash or assets as collateral, as further specified in section 4.7 (Collateral policy) below.

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager, or the Management Company in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, maybe available in the Annual Report and, to the extent relevant and practicable, in each Supplement. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

#### **4.6.1 Securities lending**

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Where specified in its Supplement, a Sub-Fund may enter into securities lending transactions as lender of securities or instruments. The securities will be safe-kept with the Depositary. Securities lending transactions are, in particular, subject to the following conditions:

- (A) the counterparty must be a credit institution from an OECD member state subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law, be of good reputation and have a minimum rating of BBB and be approved by the Board of Directors; and
- (B) a Sub-Fund may only lend securities or instruments to a borrower either directly, 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; and
- (C) a Sub-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 or instruments lent or to terminate the agreement.

#### **4.6.2 Repurchase agreements and buy-sell back transactions**

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to counterparty subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty, selling them.

Where specified in its Supplement, a Sub-Fund may enter into repurchase agreements and/or buy-sell back transactions as buyer or seller of securities or instruments such transactions are, in particular, subject to the following conditions:

- (A) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and be approved by the Board of Directors; and
- (B) the Sub-Fund must be able, at any time, to terminate the agreement or recall the full amount of cash in a reverse repurchase agreement buy sell back transaction (on either an accrued basis or a mark-to-market basis) or any securities or instruments subject to a repurchase agreement buy- sell back transaction. Fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow cash or assets to be recalled at any time.

#### **4.7 Collateral policy**

This section sets out the policy adopted by the Board of Directors for the management of collateral received for the benefit of each Sub-Fund in the context of OTC financial derivatives instruments and efficient portfolio management techniques (securities lending transactions, repurchase agreements and buy-sell back transactions). All cash or assets received by a Sub-Fund in the context of efficient portfolio management techniques will be considered as collateral for the purposes of this section. Such collateral will be safe-kept with the Depositary.

##### **4.7.1 Eligible collateral**

Collateral received for the benefit of a Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. In particular, collateral received for the benefit of a Sub-Fund should comply with the following conditions:

- (A) collateral 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;

- (B) collateral should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;
- (C) collateral 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;
- (D) collateral should be sufficiently diversified in terms of countries, markets and issuers. The maximum exposure of a Sub-Fund to any given issuer included in the basket of collateral received is limited to 20% of the net assets of the Sub-Fund. When the Sub-Fund is exposed to different counterparties, collateral received should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, this limit may be exceeded and up to 100% of the collateral received by a Sub-Fund may consist in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20), such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China or by a public international body of which one or more Member States are members, provided that such securities or instruments are part of a basket of collateral comprised of securities or instruments of at least six different issues and that securities or instruments from any one issue do not account for more than 30% of the net assets of the Sub-Fund.
- (E) where there is a title transfer, collateral received should be held by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangement, (e.g. a pledge), collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral;
- (F) collateral should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty; and
- (G) where applicable, collateral received should also comply with the control limits set out in section 4.4 (Control limits) above.

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

- (1) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (2) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (3) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (5) below;
- (4) Bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (5) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

#### **4.7.2 Level of collateral**

The level of collateral required for OTC financial derivatives transactions and efficient portfolio management techniques will be determined as per the agreements in place with the individual counterparties, taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus. The level of collateral required for each Sub-Fund is specified in its Supplement.

#### **4.7.3 Haircut policy**

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Board of Directors. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions. The haircut policy selected for each Sub-Fund is specified in its Supplement.

#### **4.7.4 Stress tests**

Where a Sub-Fund receives collateral for at least 30% of its assets, regular stress tests will be carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy includes, without limitation, (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis; (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (iii) reporting frequency and limit/loss tolerance thresholds; and (iv) mitigation actions to reduce loss, including haircut policy and gap risk protection.

#### **4.7.5 Reinvestment of collateral**

Non-cash collateral received for the benefit of a Sub-Fund may not be sold, re-invested or pledged. Cash collateral received for the benefit of a Sub-Fund can only be:

- (A) placed on deposit with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (B) invested in high-quality government bonds;
- (C) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or
- (D) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA (CESR/10-049) as may be amended from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for the Sub-Fund, as described in section 5 (General Risk Factors) below.

#### **4.7.6 Centrally cleared OTC derivatives**

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Generally, centrally-cleared OTC derivatives may be cleared under the agency model or the principal-to-principal model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central counterparty, whereas under the agency model there is one transaction between the Fund and the central counterparty. For these trades, the Fund will post and/or receive collateral for the benefit of a Sub-Fund in the form of margin payments, as agreed with the clearing broker in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Fund will ensure that variation margin receivable from the clearing broker is consistent with its collateral policy. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely, as described in section 5.2.1 (OTC financial derivative instruments) below.

### **4.8 Global exposure limits**

#### **4.8.1 General**

In accordance with Luxembourg laws and regulations, the Management Company has adopted and implemented a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Sub-Fund.

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 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 its Supplement.

#### **4.8.2 Commitment approach**

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.

#### **4.8.3 VaR approach**

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 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 Sub-Fund. The VaR approach selected for each Sub-Fund using VaR is specified in its Supplement.

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark for the 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 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 Sub-Fund, which may be different from the benchmark used for other purposes, is specified in its Supplement.

#### **4.9 Leverage**

Unless otherwise indicated in its Supplement, 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 Investment Manager 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 section 5 (General Risk Factors) 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 Sub-Fund, as well as any additional exposure generated by the reinvestment of cash collateral in relation to efficient portfolio management techniques. 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 its Supplement if the Global Risk Exposure is calculated with the Value At Risk approach.

The “sum of notionals” methodology, which is mandatory under applicable laws and regulations if the Global Risk Exposure is calculated with the Value At Risk approach, 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, the expected level of leverage disclosed in the Supplement, 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.

#### **4.10 Breach of investment limits**

The Sub-Funds need not comply with the limits set out above in this section 4 when exercising subscription rights attached to Transferable Securities and Money Market Instruments which form part of its assets.

If the limits set out above in this section 4 are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interest of investors.



## **5. GENERAL RISK FACTORS**

The performance of the Shares depends on the performance of the investments of the Sub-Fund, which may increase or decrease in value. The past performance of the Shares is not an assurance or guarantee of future performance. The value of the Shares at any time could be significantly lower than the initial investment and investors may lose a portion or even the entire amount originally invested.

Investment objectives express an intended result only. Unless otherwise specified in a Supplement, the Shares do not include any element of capital protection and the Fund gives no assurance or guarantee to any investors as to the performance of the Shares. Depending on market conditions and a variety of other factors outside the control of the Fund, investment objectives may become more difficult or even impossible to achieve. The Fund gives no assurance or guarantee to any investors as to as to the likelihood of achieving the investment objective of a Sub-Fund.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

Investors should also carefully consider all of the information set out in this Prospectus and the Supplement of the Sub-Fund before making an investment decision with respect to Shares of any Sub-Fund or Share Class. The following sections are of general nature and describe certain risks that are generally relevant to an investment in Shares of any Sub-Fund or Share Class. Other risks may be described in the Supplement. This section and the Supplements do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Sub-Fund or Share Class and other risks may also be or become relevant from time to time.

### **5.1 The risk of investing via a mutual fund can generally be associated to four elements:**

- (1) Investor's choice of funds;
- (2) Investment markets;
- (3) Investment decisions;
- (4) Operation of the mutual fund.

#### **5.1.1 Risks associated with investor's choice of funds**

Before making a decision to invest, it is important to determine an investment profile so the investment can be tailored to match the individual investor's needs and expectations. It is also decisive that investors are aware of the risks involved in the specific investment.

The investment profile must take into account the risk that investors want to run with their investment and the time horizon of the investment. Through Key Investor Information, standardised information requirements have been introduced to make it easier for investors to get an overall view of the investment.

Risk indicator	Annual fluctuations in net asset value
7	Above 25%
6	15% - 25%
5	10% - 15%
4	5% - 10%
3	2% - 5%
2	0.5% - 2%
1	Below 0.5%

The risk is expressed through a number between 1 and 7, 1 expressing the lowest risk and 7 the highest risk. However, category 1 is not a risk-free investment.

The Sub-Fund's ranking on the risk indicator is determined by the fluctuations in the Sub-Fund's net asset value over the past five years and/or representative data. Wide historical fluctuations equal high risk and a risk indicator of 6 or 7. Minor historical fluctuations equal a lower risk and a risk indicator of 1 or 2. The fund's risk indicator is not constant over time. The risk indicator does not take into account sudden events, like financial crises, devaluations, political intervention and sudden fluctuations in currencies. The current risk indicators appear from the Sub-Funds' 'Key Investor Information' at <http://www.jyskesicav.lu>.

Risks associated with the investment markets include the risk in the equity markets, interest-rate risk, credit risk and currency risk. The Fund handles each of these risk factors within the scope for each of our many different investment areas. The main risks of the Sub-funds are exposed to are disclosed in the Sub-Funds' Supplement and investment policies.

Investors should pay particular attention to the risk factors below depending on the Sub-fund's investment area.

### **5.1.2 General risk factors**

#### Exposure to a single country

Investment in securities from a single country involves a risk that the financial market of that country may be exposed to special political or regulatory initiatives. Market or general economic conditions in the country, including developments in the country's currency and interest rate will also affect the value of the investments.

#### Exposure to a single sector

Investment in securities from a single sector involves a risk that the financial market of that sector may be exposed to special political or regulatory initiatives. Market or general economic conditions in the sector will also affect the exposure to more than one country.

Investment in more than one well-organised and highly developed foreign market generally involves a lower risk of the total portfolio than investment alone in single countries and single markets.

## Foreign-currency risk

Investment in foreign securities involves exposure to currencies which may fluctuate more or less against the Sub-Fund's currency of denomination. Accordingly, the price of the Sub-Fund will be affected by the exchange-rate fluctuations between these currencies and the Sub-Fund's currency of denomination. Sub-Funds which solely invest in equities or bonds in the Sub-Fund's currency of denomination have no direct currency risk. Sub-Funds which are systematically hedged against the Sub-Fund's currency of denomination have a very limited currency risk. Any hedging will appear from the description of the Sub-Fund's investment policy under the individual fund.

## Issuer-specific risk

The value of an individual share or bond may show wider fluctuations than the total market and may result in a return which is highly different from the market return. Shifts in the FX market and regulatory, competitive, market and liquidity conditions may affect the issuer's earnings. Since, at the time of investment, a Sub-Fund may invest up to 10% in a single issuer, the value of the Sub-Fund may vary sharply due to fluctuations in individual shares and bonds. An issuer may go bankrupt; in which case the total amount invested will be lost.

## Liquidity risk

In special cases, local or global conditions may cause securities or currencies to become non-negotiable or only to be negotiable to a limited extent. This may affect the Sub-Funds' opportunities of making transactions in the financial markets. The consequence may be that one or more Sub-Funds will have to suspend redemption and issue for a shorter or longer period.

## Counterparty risk

If the Sub-Fund enters into an agreement with a counterparty where the Sub-Fund receives an outstanding amount, there is a counterparty risk. This means a risk that the counterparty breaches the contract and cannot pay. There is also counterparty risk by investing in depositary receipts (such as ADRs, GDRs and GDN) and in Pass-Through Notes.

## Particular risks associated with emerging markets

Emerging markets include almost all countries in Latin America, Asia (but not Japan, Hong Kong and Singapore), Eastern Europe and Africa. Investments in emerging markets are associated with particular risks that are not seen in the developed markets. This also applies when the issuer of an instrument has its place of business or operates the majority of its business in such a country. Investment in instruments from emerging market issuers is therefore often of a more speculative character and should only be made by persons familiar with these risks.

Countries may be characterised by political instability, relatively uncertain financial markets, relatively uncertain economic developments and equity and bond markets undergoing development. An unstable political system involves an increased risk of sudden and fundamental economic and political changes. Corruption is widespread in several emerging market countries. For investors this may have the consequence that assets are nationalised, that ownership of assets is restricted or that state monitoring and control mechanisms are introduced.

Currencies, equities and bonds from emerging markets are often exposed to wide and unforeseen fluctuations. Some countries have either already implemented restrictions with respect to export of currency and equity and bond trading or may do so at short notice.

The market liquidity in emerging markets may be on the decline due to economic and political changes or natural disasters. The effect may also be lasting.

In some emerging market countries there is an increased regulatory and judicial risk. Insufficient supervision of financial markets may mean that legal requirements cannot or can only with difficulty be enforced. Moreover, because of insufficient legal experience, there may be great uncertainty with regard to the matter of law.

In some emerging market countries the quality of central clearing and settlement systems is insufficient. This may cause errors in the settlement and delays in delivery and performance of agreements.

### **5.1.3 Particular risks associated with bond funds**

The bond market

The bond market may be exposed to special political or regulatory initiatives which affect the value of the Sub-Fund's investment. Market or general economic conditions, including the development of interest rates, will also affect the value of the investments.

Interest-rate risk

The interest rate level varies from region to region and must be seen in connection with, e.g., the inflation level. The interest-rate level plays a large role for how attractive it is to invest in, e.g., bonds. Moreover, changes in interest-rate levels may result in price declines or increases. Rising interest rates may cause falling prices. Duration expresses, among other things, the price risk on the bonds we invest in.

Credit risk

Within different bond types (government bonds, mortgage bonds, emerging market bonds, corporate bonds, etc.), there is a credit risk. The credit risk is related to the issuer's ability to redeem his debt obligations. Investment in bonds issued by corporations may involve an increased risk that the credit rating of the issuer is lowered and/or the issuer cannot meet its obligations. Credit spread/yield spread expresses the yield difference between developed-market government bonds and other types of bonds issued in the same currency and with the same maturity. The credit spread shows the premium received by the investor for accepting the credit risk.

### **5.1.4 Particular risks associated with equity funds**

Fluctuations in the equity market

The equity markets may fluctuate extensively and may decline considerably. Fluctuations may be a reaction to company specific, political or regulatory conditions, among other things. They may also be a consequence of sector, regional, local or general market and economic conditions.

## Risk capital

The return may fluctuate extensively due to the companies' potential for obtaining risk-tolerant capital, for instance, for the development of new products. Sub-Funds may invest in companies working with fully or partly new technologies whose commercial distribution and timing may be difficult to assess.

### **5.1.5 Particular risks associated with mixed funds**

Mixed funds are affected by factors which affect both equity and bond funds.

### **5.1.6 Risks associated with the investment decisions**

As set out in the Supplements, the Sub-Funds have determined a benchmark for some of the Sub-Funds. This is a basis for measuring the return in the markets where the individual Sub-Fund invests. The benchmarks or basis of comparison are representative of the Sub-Funds' portfolios and are therefore suitable for comparison of the Sub-Fund's performance. The Sub-Funds' returns are stated before tax and before investor's own issue and redemption costs but less the trading costs and administration expenses of the Sub-Funds. The benchmark return does not take costs into account. The objective of the Sub-Funds is to generate a return over time which is at least in line with the market development measured by the Sub-Funds' benchmarks. The best investments are picked to achieve the highest possible returns, considering the risk. This strategy means that investments will deviate from the benchmarks and that the return may be both above and below the benchmark. Moreover, to some extent investment can be made in securities which are not part of the Sub-Funds' benchmarks. The individual Sub-Funds will over time attempt to obtain a return that is at least in line with the market development through use of the unique investment processes, which combine a model-based screening of the markets with the knowledge, experience and common sense of the portfolio managers.

Such investment decisions are obviously associated with uncertainty. There will be periods, during which the investment processes will not contribute to achieving the return targets. Moreover, investors must be aware that due to the use of the same investment process for all Sub-Funds within the same asset class, it is to be expected that the Sub-Funds' relative returns will for periods correlate strongly with the benchmark returns. This is particularly important if investors invest in different Sub-Funds.

## **5.2 Certain financial instruments and investment techniques**

### **5.2.1 OTC financial derivative instruments**

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, 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. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Sub-Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly reported to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or “port” its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the

use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

### **5.2.2 Securities lending, repurchase agreements and buy-sell back transactions**

Securities lending transactions, repurchase agreements or buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending transactions, repurchase agreements and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending transactions, repurchase or agreements and buy-sell back transactions also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Sub-Fund may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

The Sub-Funds may enter into securities lending transactions, repurchase agreements and buy-sell back transactions with other companies in the same group of companies as the Investment Manager. Affiliated counterparties, if any, will perform their obligations under any securities lending transactions, repurchase agreements and buy-sell back transactions concluded with a Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution principles. However, investors should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

### **5.2.3 Collateral management**

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transaction, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

## 5.3 Operational risk

### 5.3.1 FATCA

The Fund may be subject to regulations imposed by foreign regulators, in particular, the United States laws and regulations known as FATCA. FATCA provisions generally impose a reporting obligation to the US Internal Revenue Services of non-US financial institutions that do not comply with FATCA and US persons' (within the meaning of FATCA) direct and indirect ownership of non-US accounts and non-US entities. Failure to provide the requested information will result in a 30% withholding tax applying to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends. The Fund will be treated as a Foreign Financial Institution within the meaning of FATCA. As such, the Fund 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.

Under the terms of FATCA, the Fund is expected to be treated as a Non-Reporting Foreign Financial Institution, which exempts it from reporting obligations under FATCA. Should the Fund however be treated as a Foreign Financial Institution and the Fund becomes subject to a withholding tax as a result of FATCA, the value of Shares held by all shareholders may be materially affected.

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

Notwithstanding any other provision of this Prospectus, to the extent permitted by Luxembourg law, the Fund shall have the right to: (i) withhold on any payment to investors an amount equal to any taxes or similar charges required by applicable laws and regulations to be withheld in respect of any shareholding in the Fund, (ii) require any investor or beneficial owner of Shares to promptly provide such personal data as may be required by the Fund in its discretion in order to comply with applicable laws and regulations and/or determine the amount to be withheld; (iii) divulge any such personal data to any tax authority, as may be required by applicable laws and regulations or requested by such authority; (iv) delay payments to any investor, including any dividend or redemption proceeds, until the Fund holds sufficient information to comply with applicable laws and regulations and/or determine the amount to be withheld.

### 5.3.2 Common Reporting Standard

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its Common Reporting Standard ("**CRS**") as set out in the Luxembourg law on the Common Reporting Standard (the "**CRS Law**").

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) investors that are reportable persons under the CRS Law, and (ii) Controlling Persons (as defined below) of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in the CRS Law, will include personal data related to the reportable persons (the "**CRS Information**").



The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the required CRS Information, as explained above, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Fund will process such CRS Information for the purposes as set out in the CRS Law. The investors undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the Fund.

For the purposes of this section, "Controlling Person" means the natural persons who exercise control over an entity. In the case of a trust, 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, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Investors are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, investors undertake to inform the Fund within thirty (30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to immediately inform the Fund of and provide the Fund with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes. Any investor that fails to comply with the Fund's CRS Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the CRS Information by the Fund to the Luxembourg tax authorities.

## **6. MANAGEMENT AND ADMINISTRATION**

### **6.1 The Board of Directors**

The members of the Board of Directors will be elected by the general meeting of Shareholders subject to the approval of the CSSF. The Board of Directors is vested with the broadest powers to act on behalf of the Fund and to take any actions necessary or useful to fulfil the Fund's corporate purpose, subject to the powers expressly assigned by law or the Articles of Association to the general meeting of shareholders.

The Board of Directors is responsible for conducting the overall management and business affairs of the Fund in accordance with the Articles of Association. In particular, the Board of Directors is responsible for defining the investment objective and policy of the Sub-Funds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the Management Company and the general monitoring of the performance and operations of the Fund.

The Board of Directors has adopted and implemented a Code of Conduct which sets out the general governance principles and rules of conduct which the directors seek to apply in carrying out their duties.

For the current composition of the Board of Directors, please refer to the Directory.

### **6.2 The Management Company**

The Fund has appointed UBS Fund Management (Luxembourg) S.A. as its management company in accordance with the provisions of the 2010 Law pursuant to the Management Company Agreement.

UBS Fund Management (Luxembourg) S.A. has been incorporated in Luxembourg on 1 July 2010 in the legal form of a public limited company (*société anonyme*) for unlimited duration. It is registered with the R.C.S. Luxemburg under number 154.210. Its registered office is in 33A, avenue J.F. Kennedy, L-1855 Luxembourg.

The articles of incorporation of the Management Company have been published by reference on 16 August 2010 in the *Mémorial C*.

The consolidated version of the articles of incorporation has been deposited for inspection with the Register of Trade and Companies (*Registre du commerce et des sociétés*) in Luxembourg. The corporate object of the Management Company is, inter alia, the management of Luxembourg undertakings for collective investment as well as the issue and redemption of shares of these products. At the date of this sales prospectus, in addition to the Company, the Management Company also manages other undertakings for collective investment. An up-to-date list of all UCITS currently managed by the Management Company is available on the following webpage: [https://www.ubs.com/lu/en/asset\\_management.html](https://www.ubs.com/lu/en/asset_management.html). The share capital of the Management Company amounts to 13,000,000 EUR and is fully paid-in.

The Management Company is authorised and regulated by the CSSF in Luxembourg under Luxembourg law. The Management Company is an affiliated company of UBS AG. Its main business activity is to provide collective portfolio management services to the Fund and other funds and perform the functions of a UCITS management company in accordance with

Luxembourg law. A list of the UCITS funds managed by the Management Company is available upon request at its registered office.

The relationship between the Fund and the Management Company is subject to the terms of the Management Company Agreement. Under the terms of the Management Company Agreement, the Management Company is responsible for the investment management and administration of the Fund as well as the marketing of the Shares, subject to the overall supervision of the Board of Directors. The Management Company is in charge of the day-to-day business activities of the Fund. The Management Company has authority to act on behalf of the Fund within its function.

For the purpose of a more efficient conduct of its business, the Management Company may delegate to third parties the power to carry out some of its functions on its behalf, in accordance with applicable laws and regulations of Luxembourg. The delegated functions shall remain under the supervision and responsibility of the Management Company and the delegation shall not prevent the Management Company from acting, or the Fund from being managed, in the best interests of the investors. The delegation to third parties is subject to the prior approval of the CSSF.

In conducting its activities, the Management Company shall act honestly and fairly, with due skill, care and diligence, in the best interests of the Fund, its investors, and the integrity of the market. In accordance with applicable laws and regulations, the Management Company has adopted and maintains sound internal governance, administrative and accounting procedures. It maintains effective, permanent and independent compliance and internal audit functions. The Management Company is organised in such a way as to minimise the risk of the Fund's interests being prejudiced by conflicts of interest between the Management Company and/or its clients.

The Management Company Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Management Company Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Management Company Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Fund will not be affected by any delegation of functions by the Management Company.

### **6.3 The Investment Manager**

With the consent of the Fund, the Management Company has appointed Jyske Bank A/S as Investment Manager for the Fund pursuant to the Investment Management Agreement.

Jyske Bank A/S is a public limited company incorporated under the laws of Denmark on 7 July 1967. The Investment Manager is authorised for the purpose of asset management and regulated by the Finanstilsynet in Denmark under Danish law. The asset management is performed by the asset management arm of Jyske Bank- Jyske Capital. Jyske Capital has more than 25 years of experience with asset management for UCITS and other clients ranking from private banking to institutional investors.

The relationship between the Management Company and the Investment Manager is subject to the terms of the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Management Company and, ultimately, the Board of Directors, to manage the assets of each Sub-Fund on a discretionary basis, in accordance with the investment objective and policy of the Sub-Fund and any additional investment restrictions or

guidelines imposed by the Board of Directors. Within this function, the Investment Manager has authority to act on behalf of the Fund.

The Investment Management Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Investment Management Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Investment Management Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors.

The Investment Management Agreement contains provisions exempting the Investment Manager from liability and indemnifying the Investment Manager in certain circumstances. In particular, the Investment Manager will not be responsible for any loss of assets and investments of the Fund, except to the extent that such loss is due to the Investment Manager's negligence, wilful default or fraud or that of any of its directors, officers, employees or agents. The liability of the Investment Manager towards the Management Company will not be affected by any delegation of functions by the Investment Manager.

#### **6.4 The Global Distributor**

With the consent of the Fund, the Management Company has appointed Jyske Bank A/S as the Global Distributor pursuant to the Global Distribution Agreement.

Jyske Bank A/S is a public limited company incorporated under the laws of Denmark on 7 July 1967. The Global Distributor is authorised and regulated by the Finanstilsynet in Denmark under Danish law.

The relationship between the Management Company and the Global Distributor is subject to the terms of the Global Distribution Agreement. Under the terms of the Global Distribution Agreement, the Global Distributor is responsible for the marketing and distribution of the Shares in Luxembourg and other jurisdictions approved by the Board of Directors. The Global Distributor has the authority to appoint sub-distributors and sales agents on behalf of the Management Company to market and distribute the Shares.

The Global Distribution Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than two (2) months' prior written notice. The Global Distribution Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Global Distribution Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Global Distribution Agreement contains provisions exempting the Global Distributor from liability and indemnifying the Global Distributor in certain circumstances. However, the liability of the Global Distributor towards the Management Company will not be affected by any delegation of functions by the Global Distributor.

#### **6.5 The Depositary and Paying Agent**

Pursuant to a depositary and paying agent agreement dated 5 December 2016 (the "**Depositary Agreement**"), UBS Europe SE, Luxembourg Branch has been appointed as depositary of the Fund (the "**Depositary**"). The Depositary will also provide paying agent services to the Fund.

The Depositary is a Luxembourg established branch of UBS Europe SE, a European Company (*Societas Europaea*), having its registered office in Frankfurt am Main, Germany, registered with the German Trade Register under number HRB 58164. UBS Europe SE, Luxembourg Branch has its address at 33A, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourgish Trade and Company Register under number B 209.123.

Pursuant to the Depositary Agreement, the Depositary has been appointed for the safe-keeping 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 for the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the 2010 Law and the Depositary 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 2010 Law.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation, (ii) the value of the Shares is calculated in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation, (iii) the instructions of the Management Company or the Fund are carried out, unless they conflict with applicable Luxembourg law, the Prospectus and/or the Articles of Incorporation, (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 incomes are applied in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation.

In compliance with the provisions of the Depositary Agreement and the 2010 Law, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund to one or more sub-custodian(s), as they are appointed by the Depositary from time to time. The Depositary does not allow its sub-custodians to make use of sub-delegates which have not been approved by the Depositary in advance.

Prior to the appointment of any sub-custodian and sub-delegate and on an ongoing basis based on 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 part of the UBS Group, a worldwide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safekeeping functions could arise as the Depositary and its affiliates are active in various business activities and may have differing direct or indirect interests. Investors may obtain additional information free of charge by addressing their request in writing to the Depositary. In order to avoid any potential conflicts of interest, the Depositary does not appoint any sub-custodians and does not allow the appointment of any sub-delegate which is part of the UBS Group, unless such appointment is in the interest of the Shareholders and no conflict of interest has been identified at the time of the sub-custodian's or sub-delegate's appointment. Irrespective of whether a given sub-custodian or sub-delegate is part of the UBS Group or not, the Depositary will 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 or sub-delegate. Furthermore, the conditions of any appointment of a sub-custodian or sub-delegate that is member of the UBS Group will be negotiated at arm's length in order to ensure the interests of the Fund and its Shareholders. 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

Shareholders. An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of these delegates and sub-delegate(s) can be found on the following webpage: <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>.

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the 2010 Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements. In order to ensure that its tasks are only delegated to sub-custodians providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the 2010 Law in the selection and the appointment of any sub-custodian to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian to which it has delegated parts of its tasks as well as of any arrangements of the sub-custodian in respect of the matters delegated to it. In particular, any delegation is only possible when the sub-custodian at all times during the performance of the tasks delegated to it segregates the assets of the Fund from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the 2010 Law. The Depositary's liability shall not be affected by any such delegation, unless otherwise stipulated in the 2010 Law and/or the Depositary Agreement.

The Depositary is liable to the Fund or its Shareholders for the loss of a financial instrument held in custody within the meaning of article 35 (1) of the 2010 Law and article 12 of the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries (the "**Fund Custodial Assets**") by the Depositary and/or a sub-custodian (the "**Loss of a Fund Custodial Asset**").

In case of Loss of a Fund Custodial Asset, the Depositary has to 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 2010 Law, the Depositary will 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 be liable to the Fund and to the Shareholders for all direct losses suffered by them as a result of the Depositary's negligence or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the 2010 Law and the Depositary Agreement.

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving three (3) months' notice by registered letter. In case of a voluntary withdrawal of the Depositary or of its removal by the Fund, the Depositary must be replaced before maturity of such notice period by a successor depositary to whom the Fund's assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Fund does not name such successor depositary in time the Depositary may notify the CSSF of the situation.

## **6.6 The Administrator**

The Management Company has appointed Northern Trust Global Services SE, as administrative, registrar and transfer agent of the Fund (the "**Administrator**") pursuant to the Administration Agreement.

The relationship between the Management Company and the Administrator is subject to the terms of the Administration Agreement. Under the terms of the Administration Agreement, the Administrator will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the Net Asset Value per Share, maintain the accounting records of the Fund, as well as process all subscriptions, redemptions, conversions, and transfers of Shares, and register these transactions in the register of Shareholders. In addition, as registrar and transfer agent of the Fund, the Administrator is also responsible for collecting the required information and performing verifications on investors.

The Administrator is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund.

The Administration Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice by registered letter. The Administration Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Administration Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the Management Company and the Fund will not be affected by any delegation of functions by the Administrator. For the avoidance of doubt, the Administrator is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Fund and/or the Sub-Funds, if applicable, and is not responsible for the preparation of this document and accepts no responsibility for any information contained herein.

The Management Company reserves the right to change the administration arrangements described above by agreement with the Administrator and/or to appoint another service provider in Luxembourg to carry out the functions of administration agent. Investors will be notified in due course.

## **6.7 The Auditor**

The Fund has appointed PricewaterhouseCoopers, *Société cooperative*, as its approved statutory auditor (*réviseur d'entreprises agréé*) within the meaning of the 2010 Law. The Auditor is elected by the general meeting of Shareholders. The Auditor will inspect the accounting information contained in the Annual Report and fulfil other duties prescribed by the 2010 Law.

## **6.8 The Domiciliation Agent**

The Fund has appointed UBS Fund Management (Luxembourg) S.A. as its domiciliation agent pursuant to a domiciliation agreement.

## **6.9 Conflicts of interest**

The Board of Directors, the Management Company, the Investment Manager, the Depositary, the Administrator and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

As further described in the Articles of Association, any director of the Fund who has, directly or indirectly, an interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Fund's interest, must inform the Board of Directors. The director may not take part in the discussions on and may not vote on the transaction. Where, by reason of a conflicting interest, the number of directors required in order to validly deliberate is not met, the board of directors may submit the decision on this specific item to the general meeting of shareholders. The Board of Directors is going to adopt and implement a conflicts of interest policy in accordance with its Code of Conduct and have made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund's investors are treated fairly.

The Management Company, the Depositary and certain distributors are part of the UBS Group (the "**Affiliated Person**").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Fund invests.

The Affiliated Person including its subsidiaries and branches may act as counterparty and in respect of financial derivative contracts entered into by the Fund.

A potential conflict may further arise because the Depositary is related to a legal entity of the Affiliated Person which provides other products or services to the Fund.

In the conduct of its business the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Fund or its investors. The Affiliated Person strives to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, the Affiliated Person has implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Fund or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly. Investors may obtain additional information on the Management Company's and the Fund's policy related to conflicts of interest free of charge by addressing their request in writing to the Management Company.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Fund or its Shareholders will be prevented. In such case these non-mitigated conflicts of interest as well as the decisions taken will be reported to investors on the following website of the Management Company under [http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html). Respective information will also be available free of charge at the registered office of the Management Company.

In addition, it has to be taken into account that the Management Company and the Depositary are members of the same group. Thus, both have put in place policies and procedures ensuring that they (i) identify all conflicts of interests arising from that link and (ii) take all reasonable steps to avoid those conflicts of interest.

Where a conflict of interest arising out of the group link between the Management Company and the Depositary cannot be avoided, the Management Company or the Depositary will



manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Fund and of the Shareholders.

A description of the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates of the Depositary can be found on the following webpage: <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>, and up-to-date information in relation thereto will be made available to investors upon request.

#### **6.10 Best execution**

Both the Management Company and the Investment Manager have adopted a “best execution” policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policies may be obtained from the internet website of the Management Company and the Investment Manager.

## **7. SHARES**

### **7.1 Shares, Sub-Funds and Share Classes**

#### **7.1.1 Shares**

The share capital of the Fund is represented by fully paid up Shares of no par value. The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Sub-Funds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the 2010 Law, which is currently 1,250,000 EUR.

The Shares will be issued in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting shareholder. The registration of a shareholder in the register of shareholders of the Fund evidences the shareholder's ownership right towards the Fund.

Shares may also be eligible for clearing and settlement by Clearstream. In such case, Shares may be held and transferred through securities accounts maintained within such systems in accordance with applicable laws and regulations, and the operating rules of the systems.

The Fund will recognise only one single shareholder per Share. In case a Share is owned by several persons, they must appoint a single representative who will represent them towards the Fund. The Fund has the right to suspend the exercise of all rights attached to that Share until such representative has been appointed.

The Shares carry no preferential or pre-emptive rights: the Fund is authorised without limitation to issue an unlimited number of fully paid up Shares on any Valuation Day without reserving to existing investors a preferential or pre-emptive right to subscribe for the Shares to be issued.

Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund and at all meetings of the Sub-Fund or Share Class concerned.

Fractions of Shares will be issued up to three (3) decimal places. Such fractional Shares will be entitled to participate on a *pro rata* basis in the net assets attributable to the Sub-Fund or Share Class to which they belong in accordance with their terms, as set out in this Prospectus. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same shareholder in the same Share Class represents one or more entire Shares, such shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

Shares are each entitled to participate in the net assets allocated to the relevant Sub-Fund or Share Class in accordance with their terms, as set out in the Supplements. Shares will be issued on each Subscription Day immediately after the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class as of that point, as described in more detail in section 7.4 (Subscription for Shares) below. Shares will be redeemed on each Redemption Day at the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class until and including that point, as described in more detail in section 7.5 (Redemption of Shares) below.

Shares redeemed will generally be cancelled unless the Fund decides otherwise.

### **7.1.2 Sub-Funds**

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Each Share issued by the Fund is a share in a specific Sub-Fund. Each Sub-Fund has a specific investment objective and policy as further described in its Supplement. A separate portfolio of assets is maintained for each Sub-Fund and invested for its exclusive benefit in accordance with its investment objective and policy.

With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. As a consequence, the assets of each Sub-Fund may only be used to meet the debts, liabilities and obligations attributable to that Sub-Fund. In the event that, for any reason, the liabilities arising in respect of the creation, operation and liquidation of a Sub-Fund exceed the assets allocated to it, creditors will have no recourse against the assets of any other Sub-Fund to satisfy such deficit. Assets and liabilities are allocated to each Sub-Fund in accordance with the provisions of the Articles of Association, as set out in section 8.2 (Valuation procedure) below.

Each Sub-Fund may be established for an unlimited or limited duration as specified in its Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Sub-Fund once or several times. Investors will be notified at each extension. At the expiry of the duration of a Sub-Fund, the Fund will redeem all the Shares in that Sub-Fund. The Supplement will indicate the duration of each Sub-Fund and its extension, where applicable.

Additional Sub-Funds may be established from time to time without the consent of investors in other Sub-Funds. A new Supplement will be added to this Prospectus for each new Sub-Fund established.

### **7.1.3 Share Classes**

The Sub-Funds may offer several Share Classes, as set out in the Supplements. Each Share Class within a Sub-Fund may have different features such as the fee structure, minimum subscription or holding amounts, currency, different hedging techniques or distribution policy or other distinctive features, or be offered or reserved to different types of investors. Investors will be able to choose the Share Class with the features most suitable to their individual circumstances.

In particular, the Sub-Funds may offer Currency Hedged Share Classes. The Fund may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Currency Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions will be allocated solely to the Currency Hedged Share Class to which the hedging relates.

Currency Hedged Share Classes involve certain risks, as described in section 5 (General Risk Factors) above. For the avoidance of doubt, certain Share Classes may qualify as Currency Hedged Share Classes.

Each Share Class may be created for an unlimited or limited duration, as specified in the Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Share Class once or several times. Investors will be notified at each extension. At the expiry of the duration of a Share Class, the Fund will redeem all the Shares in that Share

Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the Supplements. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from a Distributor upon request and on <http://www.jyskesicav.lu>.

#### **7.1.4 Change of rights, restrictions and characteristics of Sub-Funds and Share Classes**

The rights and restrictions attached to Shares may be modified from time to time, subject to the provisions of the Articles of Association. Any changes to the Articles of Association will require a resolution of the general meeting of shareholders, as further described in section 10.2 (Meetings of shareholders) below.

Subject to the above, the Board of Directors may change the characteristics of any existing Sub-Fund, including its objective and policy, or any existing Share Class, without the consent of investors. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. This Prospectus will be updated as appropriate.

### **7.2 Dividend distribution policy**

Each Sub-Fund may comprise distributing Shares and non-distributing Shares. The Supplement shall indicate whether Shares confer the right to dividend distributions (Distribution Shares) or do not confer this right (Capitalisation Shares). Distribution Shares and Capitalisation Shares issued within the same Sub-Fund will be represented by different Share Classes.

Capitalisation Shares capitalise their entire earnings whereas Distribution Shares pay dividends. Whenever dividends are distributed to holders of Distribution Shares, their Net Asset Value per Share will be reduced by an amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Capitalisation Shares will remain unaffected by the distribution made to holders of Distribution Shares.

The Fund shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the Fund shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares as described in the Supplement. The dividend distribution policy may vary between Distribution Shares within the same or different Sub-Funds. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the Fund would fall below the minimum share capital required by the 2010 Law which is currently EUR 1,250,000.

If requested by an investor, dividends will be reinvested in Shares of the same Share Class and investors will be advised of the details by a dividend statement.

No interest shall be paid on dividend distributions declared by the Fund which have not been claimed. Dividends not claimed within five years of their declaration date will lapse and revert to the relevant Share Class.

### **7.3 Eligible Investors**

Shares may only be acquired or held by investors who satisfy all eligibility requirements for a specific Sub-Fund or Share Class, if any, as specified for the Sub-Fund or Share Class in the Supplement (an Eligible Investor). Certain Sub-Funds or Shares Classes may indeed be reserved to specified categories of investors such as Institutional Investors, investors investing through a specified distribution channel or investors who are residents of or domiciled in specific jurisdictions.

The Board of Directors has decided that any investor not qualifying as an Eligible Investor will be considered as a Prohibited Person, in addition to those persons described in section 7.10 (Prohibited Persons) below. The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Prospectus (see section 7.10 (Prohibited Persons) below).

### **7.4 Subscription for Shares**

Applications for subscriptions can be submitted for each Subscription Day via fax, swift or web SRA provided that a complete application is submitted by the Cut-Off Time for that Subscription Day (fax: cut-off time – 1 hour). Applications will be processed, if accepted, at the Subscription Price applicable to that Subscription Day. The Subscription Price (plus any Subscription Fee) must be settled by the end of the Subscription Settlement Period. The subscription procedure is further described below. Shares will be issued on the Subscription Day and entitled to participate in the Net Asset Value of the Share Class from their issue. The Subscription Day, Cut-Off Time, and Subscription Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

#### **7.4.1 Subscription application**

Shares in any new Sub-Fund or Share Class may be available for subscription during an Initial Offer and will be issued on the first Subscription Day following the Initial Offer at the Initial Offer Price. Information on the Initial Offer and the Initial Offer Price of any new Sub-Fund or Share Class will be set out in the Supplement and be available from the Distributor upon request and on <http://www.jyskesicav.lu>. The Fund may reschedule the Initial Offer and/or amend the Initial Offer Price.

Shares will be available for subscription on each Subscription Day at a Subscription Price equal to the Net Asset Value per Share for that Subscription Day rounded up or down to two (2) decimal places. The Net Asset Value per Share for the Subscription Day at which an application will be processed is unknown to the investors when they place their subscription applications.

The Fund may charge a Subscription Fee on subscriptions for Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below, which will be added to the Subscription Price. The Subscription Fee is equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

The Fund will only process subscription applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to investors on subscription proceeds received by the Fund prior to receiving clear and complete applications.

Applications must be submitted to the Administrator or a Distributor by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Earlier closing times for receipt of applications may be applied by the Distributor for those applications in order to ensure these can be communicated to the Administrator on time prior to the Cut-Off-Time. Investors should refer to the local sales documents for their jurisdiction or contact their local Distributor to find out which earlier closing time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the Fund may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to accept or refuse any application in whole or in part at its discretion. Without limitation, the Fund may refuse an application for subscription where the Fund determines that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the Fund will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The issue of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the Fund, notably under other exceptional circumstances.

#### **7.4.2 Settlement of subscription**

The Subscription Price (plus any Subscription Fee) must be paid in the Reference Currency of the Share Class or, at the request of the investor, in any other currency accepted by the Fund. In the latter case, the Fund will have the subscription proceeds in the other currency converted into the Reference Currency of the Sub-Fund or Share Class, at the risks and costs of the investor, taking into account prevailing currency exchange rates. The Fund may charge a fee for this conversion service. The Fund will process the subscription application by reference to the net proceeds of the conversion into the Reference Currency of the Sub-Fund or Share Class.

Cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) must be received by the Fund by the end of the Subscription Settlement Period specified in the Supplement.

If the payment of the Subscription Price (plus any Subscription Fee) has not been received by the end of the Subscription Settlement Period, any pending application for Shares may be rejected or, if the application had previously been accepted by the Fund, any allocation of

Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable Redemption Price (less any Redemption Fee). The Administrator or a Distributor will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the Subscription Settlement Period, if any, will be returned to the applicant at its risks and costs, without interest.

The Fund reserves the right to require indemnification from the applicant against any losses, costs or expenses arising as a result of any failure to settle the Subscription Price (plus any Subscription Fee) by the end of the Subscription Settlement Period. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

### **7.4.3 Subscription in kind**

The Fund may agree to issue Shares as consideration for a "contribution in kind" of assets with an aggregate value equal to the Subscription Price (plus any Subscription Fee), provided that such assets comply with the investment objective and policy of the Sub-Fund and any restrictions and conditions imposed by applicable laws and regulations. In accepting or rejecting such a contribution at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Any contribution 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 Fund. The Fund and the contributing investor will agree on specific settlement procedures. Any costs incurred in connection with a contribution in kind, including the costs of issuing a valuation report, shall be borne by the contributing investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-Fund.

## **7.5 Redemption of Shares**

Applications for redemptions can be submitted by investors for each Redemption Day provided that a complete application is submitted by the Cut-Off Time for that Redemption Day. Applications will be processed, if accepted, at the Redemption Price applicable to that Redemption Day. The Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period. The redemption procedure is further described below. Shares will be redeemed on the Redemption Day and entitled to participate in the net assets of the Sub-Fund or Share Class until their redemption. The Redemption Day, Cut-Off Time, and Redemption Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

### **7.5.1 Redemption application**

Investors may apply for redemption of all or any of their Shares on each Redemption Day at a Redemption Price equal to the Net Asset Value per Share for that Redemption Day rounded to two (2) decimal places. The Net Asset Value per Share for the Redemption Day at which an application will be processed is unknown to the investors when they place their redemption applications.

The Fund may charge a Redemption Fee on redemptions of Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below, which will be deducted from the payment of the Redemption Price. The Redemption Fee is equal to a maximum percentage of the Redemption Price or such other amount as specified for each Sub-Fund or Share Class in the Supplement, where applicable.

The Fund will only process redemption applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator or a Distributor by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Earlier closing times for receipt of applications may be applied by the Distributor for those applications in order to ensure these can be communicated to the Administrator on time prior the Cut-Off Time. Investors should refer to the local sales documents for their jurisdiction or contact their local Distributor to find out which earlier closing time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the Fund may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The redemption of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The redemption of Shares of a Sub-Fund or Share Class may also be suspended in other exceptional cases where the circumstances and the best interest of the investors so require.

### **7.5.2 Settlement of redemption**

Redemption proceeds equal to the full amount of the Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period specified in the Supplement. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Investors should contact their local paying agent for further information. The Fund is not responsible for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming investor and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Sub-Fund or the Share Class or, at the request of the investor, in any other currency accepted by the Fund. In the latter case, the Fund will have the net redemption proceeds converted into the other currency at the risks and costs of the investor, taking into account prevailing currency exchange rates. The Fund may charge a fee for this conversion service. The Fund will pay to the investor the net proceeds of the conversion into the other currency.

The Fund reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other exceptional circumstances. If redemption proceeds cannot be paid by the end of the Redemption Settlement Period, the payment will be made as soon as reasonably practicable thereafter. The Fund may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) due but not yet paid for the Shares to be redeemed has been received by the Fund. No interest will



be paid to investors on redemption proceeds paid after the end of the Redemption Settlement Period.

### **7.5.3 Redemption in kind**

The Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to an investor a “redemption in kind” whereby the investor receives a portfolio of assets of the Sub-Fund of equivalent value to the Redemption Price (less any Redemption Fee). In such circumstances the investor 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 Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Where the investor accepts a redemption in kind, he will receive a selection of assets of the Sub-Fund. 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 Fund. The Fund and the redeeming investor 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 investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-Fund.

Upon request of an investor, the Board of Directors may agree to establish an account outside of the Fund, in the name of the investor, into which the portfolio of assets can be transferred. The account will be used to sell the assets and pay the sales proceeds to the redeeming investor in cash. Any costs and expenses relating to the opening and maintenance of the account will be borne by the redeeming investor. Investors may incur brokerage and/or local tax charges on the sale of the assets. There may be a difference between the net amount of the sales proceeds paid to the investor and the Redemption Price (less any Redemption Fee) for the Shares redeemed, due to market conditions and/or the difference between the prices used to calculate the Net Asset Value and bid prices received on the sale of the assets.

## **7.6 Conversion of Shares**

Applications for conversions of Shares of any Share Class (called the Original Shares) into Shares of another Share Class of the same or another Sub-Fund (called the New Shares) can be submitted for each Conversion Day provided that a complete application is submitted by the Cut-Off Time for that Conversion Day. The number of New Shares issued upon a conversion will be based on the respective Net Asset Values per Share of the Original Shares and the New Shares for the Conversion Day (which, for the avoidance of doubt, may be a different day for the Original Shares and the New Shares). The Original Shares will be redeemed and the New Shares will be issued on the Conversion Day. The conversion procedure is further described below.

### **7.6.1 Conversion application**

Unless set out otherwise in the Supplement, investors may apply for conversion of Original Shares into New Shares on each Conversion Day. However, the right to convert the Original Shares is subject to compliance with any investor eligibility requirements applicable to the New Shares. In addition, conversion applications are subject to the provisions on the minimum initial or additional subscription amounts applicable to the New Shares and the minimum holding amount applicable to the Original Shares.

The number of New Shares issued upon a conversion will be based upon the respective Net Asset Values of the Original Shares and the New Shares for the Conversion Day. These Net Asset Values are unknown to the investors when they place their conversion application.

The Fund may charge a Conversion Fee on conversions of Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below and specified in the Supplement. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

The Fund will only process conversion applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator or a Distributor by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Earlier closing times for receipt of applications may be applied by the Distributor for those applications in order to ensure these can be communicated to the Administrator on time prior the Cut-Off Time. Investors should refer to the local sales documents for their jurisdiction or contact their local Distributor to find out which earlier closing time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the Fund may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to reject any application for conversion of Shares into New Shares, in whole or in part, including, without limitation, where the Fund decides to close the Sub-Fund or Share Class to new subscriptions or new investors. In any event, no conversion application will be processed unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) for the Original Shares has been received by the Fund.

The conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Original Shares or the New Shares is suspended by the Fund in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below, or when the redemption of Original Shares or the subscription for New Shares is suspended in accordance with the Articles of Association and this Prospectus.

### **7.6.2 Conversion rate**

The rate at which the Original Shares are converted into New Shares is determined on the basis of the following formula:

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

where:

A is the number of New Shares to be allocated;

- B is the number of Original Shares to be converted into New Shares;
- C is the Net Asset Value per Share of the Original Shares for the Conversion Day;
- D is the exchange rate, as determined by the Fund, between the Reference Currency of the Original Shares and that of the New Shares. Where the Reference Currencies are the same, D equals one (1); and
- E is the Net Asset Value per Share of the New Shares for the Conversion Day.

A Conversion Fee may be applied, if and to the extent set out in the Supplement. The Conversion Fee is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.

## **7.7 Transfer of Shares**

### **7.7.1 Conditions and limitations on transfer of Shares**

Shares are freely transferable subject to the restrictions set out in the Articles of Association and this Prospectus. In particular, the Fund may deny giving effect to any transfer of Shares if it determines that such transfer would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons.

Subject to the above, the transfer of Shares will normally be given effect by the Fund by way of declaration of transfer entered in the register of shareholders of the Fund following the delivery to the Administrator or a Distributor of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the Fund.

The Fund will only give effect to Share transfers that it considers clear and complete. The Administrator or a Distributor may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Investors are advised to contact the Administrator or a Distributor prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The Fund may delay the acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete transfer orders may lead to delays in their execution. The Fund will not accept liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

Shares which are eligible for clearing and settlement by Clearstream may also be transferred through securities accounts maintained within such systems in accordance with applicable laws and regulations, and the operating rules of the systems.

### **7.7.2 Trading of Shares on a stock exchange**

Shares of certain Share Classes may be listed and admitted to trading on the EuroMTF market of the Luxembourg Stock Exchange or other market segments or stock exchanges as the Fund may determine from time to time. The Supplement will specify if Shares are or are intended to be listed. Although the Shares must be freely negotiable and transferable upon their listing and admission to trading on such stock exchanges (and trades carried out on such stock exchanges cannot be cancelled by the Fund) the restrictions of ownership and conditions on holding Shares (as set out in this Prospectus and the Articles of Association) will nevertheless apply to any person to which Shares are transferred on such stock

exchanges. The holding at any time of any Shares by, on behalf of or for the account or benefit of, a Prohibited Person may result in the compulsory redemption of such Shares in accordance with the provisions of this Prospectus and the Articles of Association.

Listed Shares will be eligible for clearing and settlement by Clearstream.

The listing and admission to trading on such stock exchanges does not constitute a warranty or representation by the stock exchange as to the competence of the service providers to or any other party connected with the Fund or the suitability of the Fund for investment or for any other purpose.

## **7.8 Special considerations**

### **7.8.1 Minimum subscription and holding amounts**

The subscription for Shares may be subject to a minimum initial subscription amount and/or additional subscription amount, as specified for each Share Class in the Supplement. The Fund may reject any application for subscription for or conversion into Shares of a Share Class which does not meet the applicable minimum initial subscription amount or additional subscription amount for that Share Class, if any.

In addition, the holding of Shares may be subject to a minimum holding amount, as specified for each Share Class in the Supplement. The Fund may treat any application for redemption or conversion of part of a holding of Shares in a Share Class as a deemed application for redemption or conversion of the entire holding of the redeeming investor in that Share Class if, as a result of such application, the Net Asset Value of the Shares retained by the investor in that Share Class would fall below the applicable minimum holding amount. Alternatively, the Fund may grant a grace period to the investor so as to allow him to increase his holding to at least the minimum holding amount.

The Fund may further deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor in a Share Class would fall below the minimum holding amount for that Share Class, or if the Net Asset Value of the Shares acquired by the transferee in a Share Class would be less than the minimum initial or additional subscription amounts, as applicable. In such cases, the Fund will notify the transferor that it will not give effect to the transfer of the Shares.

Alternatively, the Fund, represented by any member of the Board of Directors, has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that investors are treated fairly. In particular, the Fund may waive all or part of such requirements for investments made by certain nominees and other professional intermediaries.

### **7.8.2 Minimum or maximum level of assets under management**

The Fund may decide to cancel the launch of a Sub-Fund or Share Class before the end of the Initial Offer where that Sub-Fund or Share Class has not reached the minimum or expected level of assets under management for such Sub-Fund or Share Class to be operated in an economically efficient manner. In such event, applications for subscription will be refused and subscription proceeds previously received by the Fund will be returned to the applicant.

Where applications for redemptions or conversions out of a Sub-Fund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue

in that Sub-Fund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Share Class to be managed and/or administered in an efficient manner, the Fund may decide to terminate and liquidate the Sub-Fund or Share Class in accordance with the procedure set out in section 10.9 (Liquidation) below. In such a case, all remaining Shares of the Sub-Fund or Share Class will be redeemed.

The Fund may also decide to close a Sub-Fund or Share Class to new subscriptions or new investors where that Sub-Fund or Share Class has reached its maximum or expected level of assets under management. In such event, applications for subscription will be refused, in whole or in part, and subscription proceeds previously received by the Fund will be returned to the applicant.

### **7.8.3 Suspension of issue, redemption or conversion of Shares**

The issue, redemption or conversion of Shares in a Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Share Class is suspended by the Fund in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below and in other circumstances specified in the Articles of Association and this Prospectus.

Suspended subscriptions, redemptions and conversions will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Fund before the end of the suspension period.

### **7.8.4 Deferral of redemption or conversion of Shares**

If on any given Redemption or Conversion Day, applications for redemption or conversion of Shares out of a Sub-Fund or Share Class represent in aggregate more than ten percent (10%) of the Net Asset Value of the Sub-Fund or Share Class, the Fund may decide that part (on a *pro rata* basis) or all of such requests for redemption or conversion will be deferred to the next or subsequent Redemption or Conversion Days for a period generally not exceeding ten (10) Business Days until the application is processed in full. On a next or subsequent Redemption 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 Fund 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 section 7.5 (Redemption of Shares) 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 Share Class in lieu of cash, subject to the conditions set out in section 7.5 (Redemption of Shares) above.

## **7.9 Late trading, market timing and other prohibited practices**

The Fund does not permit late trading practices as such practices may adversely affect the interests of investors. In general, late trading is to be understood as the acceptance of a subscription, redemption or conversion order for Shares after the Cut-Off Time for a Subscription, Redemption or Conversion Day and the execution of such order at a price

based on the Net Asset Value applicable to such same day. However, as mentioned above, the Fund may accept subscription, conversion or redemption applications received after the Cut-Off Time, in circumstances where the subscription, redemption or conversion applications are dealt with on an unknown Net Asset Value basis, provided that it is in the interest of the Sub-Fund and that investors are fairly treated. In particular, the Fund may waive the Cut-Off Time where a Distributor submits the application to the Administrator after the Cut-Off Time provided that such application has been received by the Distributor from the investor in advance of the Cut-Off Time.

Subscriptions and conversions of Shares should be made for investment purposes only. The Fund does not permit market timing or other excessive trading practices. Market timing is to be understood as an arbitrage method by which an investor systematically subscribes and redeems or converts Shares of the same Sub-Fund or Share Class 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. Excessive, short-term (market timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Fund and other investors, the Fund has the right to reject any subscription or conversion order, from any investor who is engaging or is suspected of engaging in excessive trading, or has a history of excessive trading, or if an investor's trading, in the opinion of the Board of Directors, has been or may be disruptive to the Fund. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control.

The Fund also has the power to compulsorily redeem all Shares held by, on behalf or for the account or benefit of, an investor who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, in accordance with the procedure set out in this Prospectus. The Board of Directors considers such persons as Prohibited Persons.

The Fund will not be held liable for any loss resulting from rejected orders or compulsory redemptions.

#### **7.10 Prohibited Persons**

The Articles of Association give powers to the Board of Directors to restrict or prevent the legal or beneficial ownership of Shares or prohibit certain practices such as late trading and market timing by any person (individual, corporation, partnership or other entity), if in the opinion of the Board of Directors such ownership or practices may (i) result in a breach of any provisions of the Articles of Association, the Prospectus or the laws or regulations of any jurisdiction, or (ii) require the Fund, the Management Company or the Investment Manager to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction, or (iii) may cause the Fund, the Management Company or the Investment Manager or the investors any legal, regulatory, taxation, administrative or financial disadvantages which they would not have otherwise incurred (a Prohibited Person).

The Shares have not been registered under any United States stock exchange law. The Fund represents and warrants that its Shares will not be offered, sold or delivered to US Persons.

The Board of Directors has also decided that any person not qualifying as an Eligible Investor will be considered as a Prohibited Person.

Furthermore, the Board of Directors has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 7.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may require at any time any investor or prospective investor to provide the Fund with any representations, warranties, or information, together with supporting documentation, which the Fund may consider necessary for the purpose of determining whether the issue or transfer would result in Shares being held by, on behalf or for the account or benefit of, a Prohibited Person.

The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. In such cases, the Fund will notify the investor of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 7.5 (Redemption of Shares) above.

The Fund may also grant a grace period to the investor for remedying the situation causing the compulsory redemption, for instance by transferring the Shares to one or more investors who are not Prohibited Persons and do not act on behalf or for the account or benefit of, Prohibited Persons, and/or propose to convert the Shares held by any investor who fails to satisfy the investor eligibility requirements for a Shares Class into Shares of another Share Class available for such investor.

The Fund reserves the right to require the investor to indemnify the Fund against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

#### **7.11 Prevention of money laundering**

Subscribers for Shares will be required to provide to the Administrator or a Distributor the information set out in the Subscription Form, depending on their legal form (individual, corporate or other category of subscriber).

The Global Distributor and Distributors is required to establish anti-money laundering controls and may require from subscribers for Shares all documentation deemed necessary to establish and verify this information. The Administrator or a Distributor has the right to request additional information until the Administrator or the Distributor is reasonably satisfied it understands the identity and economic purpose of the subscriber. Furthermore, any investor is required to notify the Administrator or the Distributor prior to the occurrence of any change in the identity of any beneficial owner of Shares. The Fund may require from existing investor, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in the Grand Duchy of Luxembourg.

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing

of terrorism, as amended), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circular 13/556 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector to prevent the use of UCIs for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg UCI must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Administrator may require subscribers to provide any document it deems necessary to effect such identification.



## **8. VALUATION AND NET ASSET VALUE CALCULATION**

The Net Asset Value of each Sub-Fund and Share Class is determined by performing a valuation of the assets and liabilities of the Fund and allocating them to the Sub-Funds and Share Classes, in order to calculate the Net Asset Value per Share of each Share Class of each Sub-Fund. The method for the valuation of the assets and liabilities, the allocation to the Sub-Funds and Share Classes, and the calculation of the Net Asset Value is set out in the Articles of Association and is also described in this section of the Prospectus.

### **8.1 Calculation of the Net Asset Value**

The Net Asset Value per Share shall be determined by the Administrator as of each Valuation Day (as specified for each Sub-Fund in the Supplement) and at least twice a month. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to two (2) decimal places.

The Net Asset Value of a Share Class is equal to the value of the assets allocated to such Share Class within a Sub-Fund less the value of the liabilities allocated to such Share Class, both being calculated as of each Valuation Day according to the valuation procedure described below.

The Net Asset Value of a Sub-Fund is equal to the value of the assets allocated to such Sub-Fund less the value of the liabilities allocated to such Sub-Fund, both calculated as of each Valuation Day in the Reference Currency of the Sub-Fund according to the valuation procedure described below.

The Net Asset Value of the Fund will at all times be equal to the sum of the Net Asset Values of all Sub-Funds expressed in the Reference Currency of the Fund. The Net Asset Value of the Fund must at all times be at least equal to the minimum share capital required by the 2010 Law which is currently 1,250,000 EUR, except during the first six (6) months after the approval of the Fund by the CSSF.

### **8.2 Valuation procedure**

#### **8.2.1 General**

The assets and liabilities of the Fund will be valued in accordance with the Articles of Association and the provisions outlined below.

The Board of Directors may apply other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realisation value of any asset if applying the rules described below appears inappropriate or impracticable.

The Board of Directors may adjust the value of any asset if the Board of Directors determines that such adjustment is required to reflect its fair value taking into account its denomination, maturity, liquidity, applicable or anticipated interest rates or dividend distributions or any other relevant considerations.

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Day, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Sub-Fund are quoted, listed or traded, the Board of Directors may cancel the first valuation and carry out a second

valuation in order to safeguard the interest of investors. In such a case, the Net Asset Value used for processing subscription, redemption and conversion applications for that Valuation Day will be based on the second calculation.

For the purpose of calculating the Net Asset Value in accordance with the valuation principles set out below, the Board of Directors has authorised the Administrator to rely in whole or in part upon valuations provided by available pricing sources for the relevant asset, including data vendors and pricing agencies (such as Bloomberg or Reuters), fund administrators, brokers, dealers and valuation specialists, provided that such pricing sources are considered reliable and appropriate and provided that there is no manifest error or negligence in such valuations. In the event that valuations are not available or valuations may not correctly be assessed using such pricing sources, the Administrator will rely upon valuation methods and determinations provided by the Board of Directors.

The Board of Directors may consult with and seek the advice of the Investment Manager in valuing the Fund's assets. Where the Board of Directors considers it necessary, it may seek the assistance of a valuation committee whose task will be the prudent estimation of certain assets' values in good faith.

In the absence of fraud, bad faith, negligence or manifest error, any decision taken in accordance with the Articles of Association and the Prospectus by the Board of Directors or any agent appointed by the Board of Directors in connection with the valuation of the Fund's assets and the calculation of the Net Asset Value of the Fund, a Sub-Fund or a Share Class, the Net Asset Value per Share will be final and binding on the Fund and on all investors, and neither the Board of Directors nor any agent appointed by the Board of Directors shall incur any individual liability or responsibility for any determination made or other action taken or omitted by them in this connection.

### **8.2.2 Assets of the Fund**

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the assets of the Fund shall include the following:

- 1) all cash on hand or on deposit, including any outstanding accrued interest;
- 2) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;
- 3) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;
- 4) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);
- 5) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;
- 6) the formation expenses of the Fund or a Sub-Fund, to the extent that such expenses have not already been written off; and
- 7) all other assets of any kind and nature including expenses paid in advance.

### **8.2.3 Liabilities of the Fund**

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the liabilities of the Fund shall include the following:

- 1) all loans, bills or accounts payable, accrued interest on loans (including accrued fees for commitment for such loans);
- 2) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund but not yet paid;
- 3) a provision for any tax accrued to the Valuation Day and any other provisions authorised or approved by the Fund; and
- 4) all other liabilities of the Fund of any kind recorded in accordance with applicable accounting rules, except liabilities represented by Shares. In determining the amount of such liabilities, the Fund will take into account all expenses, fees, costs and charges payable by the Fund as set out in section 9 (Fees and expenses) below.

Adequate provisions shall be made for unpaid administrative and other expenses of a regular or recurring nature based on an estimated amount accrued for the applicable period. Any off-balance sheet liabilities shall duly be taken into account in accordance with fair and prudent criteria.

The fees and expenses incurred in connection with the formation of the Fund and the initial Sub-Funds will be borne by Jyske Bank A/S.

### **8.2.4 Valuation principles**

In accordance with the Articles of Association, the valuation of the assets of the Fund will be conducted as follows:

- 1) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.
- 2) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs 3) and 6) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

- 3) Notwithstanding paragraph 2) above, where permitted under applicable laws and regulations, Money Market Instruments not traded on a stock exchange or on another regulated market open to the public will be valued on the basis of the relevant curves. Curve-based valuations are calculated from interest rates and credit spreads. The following principles are applied in this process: the interest rate nearest the residual maturity is interpolated for each Money Market Instrument. Thus calculated, the interest rate is converted into a market price by adding a credit spread that reflects the creditworthiness of the underlying borrower. This credit spread is adjusted if there is a significant change in the borrower's credit rating.
- 4) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available settlement price or, if such settlement price is not available, at the last available bid price, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- 5) Financial derivative instruments which are traded "over-the-counter" (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.
- 6) Notwithstanding paragraph 2) above, shares or units in target investment funds (including UCITS and UCI) will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph 2) above.
- 7) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

## **8.2.5 Allocation of assets and liabilities to Sub-Funds and Share Classes**

Assets and liabilities of the Fund will be allocated to each Sub-Fund and Share Class in accordance with the provisions of the Articles of Association, as set out below, and the Supplement of the Sub-Fund.

- 1) The proceeds from the issue of Shares of a Sub-Fund or Share Class, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. The assets allocated to each Share Class of the same Sub-Fund will be invested together in accordance with the investment objective, policy, and strategy of that Sub-Fund, subject to the specific features and terms of issue of each Share Class of that Sub-Fund, as specified in its Supplement (see section 7.1 (Shares, Sub-Funds and Share Classes) above).
- 2) All liabilities of the Fund attributable to the assets allocated to a Sub-Fund or Share Class or incurred in connection with the creation, operation or liquidation of a Sub-Fund or Share Class will be charged to that Sub-Fund or Share Class and, together with any increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Share Class specific feature will be allocated solely to the Share Class to which the specific feature relates.
- 3) Any assets or liabilities not attributable to a particular Sub-Fund or Share Class may be allocated by the Board of Directors in good faith and in a manner which is fair to investors generally and will normally be allocated to all Sub-Funds or Share Classes *pro rata* to their Net Asset Value.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Sub-Fund or Share Class.

## **8.2.6 Additional rules for assets and liabilities of the Fund**

In calculating the Net Asset Value of each Sub-Fund or Share Class the following principles will apply.

- 1) Each Share agreed to be issued by the Fund on each Subscription Day will be deemed to be in issue and existing immediately after the time of valuation on the Subscription Day. From such time and until the Subscription Price is received by the Fund, the assets of the Sub-Fund or Share Class concerned will be deemed to include a claim of that Sub-Fund or Share Class for the amount of any cash or other property to be received in respect of the issue of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be increased by such amount immediately after the time of valuation on the Subscription Day.
- 2) Each Share agreed to be redeemed by the Fund on each Redemption Day will be deemed to be in issue and existing until and including the time of valuation on the Redemption Day. Immediately after the time of valuation and until the Redemption Price is paid by the Fund, the liabilities of the Sub-Fund or Share Class concerned will be deemed to include a debt of that Sub-Fund or Share Class for the amount of any cash or other property to be paid in respect of the redemption of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount immediately after the time of valuation on the Redemption Day.

- 3) Following a declaration of dividends for Distribution Shares on a Valuation Day determined by the Fund to be the distribution accounting date, the Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount as of the time of valuation on that Valuation Day.
- 4) Where assets have been agreed to be purchased or sold but such purchase or sale has not been completed at the time of valuation on a given Valuation Day, such assets will be included in or excluded from the assets of the Fund, and the gross purchase price payable or net sale price receivable will be excluded from or included in the assets of the Fund, as if such purchase or sale had been duly completed at the time of valuation on that Valuation Day, unless the Fund has reason to believe that such purchase or sale will not be completed in accordance with its terms. If the exact value or nature of such assets or price is not known at the time of valuation on the Valuation Day, its value will be estimated by the Fund in accordance with the valuation principles described above.
- 5) The value of any asset or liability denominated or expressed in a currency other than the Reference Currency of the Fund, Sub-Fund or Share Class will be converted, as applicable, into the Reference Currency of the Fund, Sub-Fund or Share Class at the prevailing foreign exchange rate at the time of valuation on the Valuation Day concerned which the Board of Directors considers appropriate.

### **8.2.7 Adjustments**

In certain circumstances, subscriptions, redemptions, and conversions in a Sub-Fund may have a negative impact on the Net Asset Value per Share. Where subscriptions, redemptions, and conversions in a Sub-Fund cause the Sub-Fund to buy and/or sell underlying investments, the value of these investments may be affected by bid/offer spreads, trading costs and related expenses including transaction charges, brokerage fees, and taxes. This investment activity may have a negative impact on the Net Asset Value per Share called "dilution". In order to protect existing or remaining investors from the potential effect of dilution, the Fund may apply a "swing pricing" methodology as further explained below and in the Supplement of the relevant Sub-Fund, if applicable. The swing pricing methodology are not expected to apply at the same time to subscription and/or redemption orders in respect of the same Valuation Day except in extraordinary market circumstances as determined by the Board of Directors.

The Fund may apply a so-called "swing pricing" methodology which adjusts the Net Asset Value per Share to account for the aggregate costs of buying and/or selling underlying investments. The Net Asset Value per Share will be adjusted by a certain percentage set by the Board of Directors from time to time for each Sub-Fund called the "swing factor" which represents the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments (called the Swing Factor). As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the Swing Factor may be different for net subscriptions and net redemptions in a Sub-Fund. The Swing Factor will not exceed 2% of the Net Asset Value per Share unless otherwise set out for each Sub-Fund in the Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Swing Factor in view of market conditions.

The Board of Directors will determine if a partial swing or full swing is adopted. If a partial swing is adopted, the Net Asset Value per Share will be adjusted upwards or downwards if net subscriptions or redemptions in a Sub-Fund exceed a certain threshold set by the Board of Directors from time to time for each Sub-Fund (called the Swing Threshold). If a full swing

is adopted, no Swing Threshold will apply. The Swing Factor will have the following effect on subscriptions or redemptions:

- 1) on a Sub-Fund experiencing levels of net subscriptions on a Valuation Day (i.e. subscriptions are greater in value than redemptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Share will be adjusted upwards by the Swing Factor; and
- 2) on a Sub-Fund experiencing levels of net redemptions on a Valuation Day (i.e. redemptions are greater in value than subscriptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Share will be adjusted downwards by the Swing Factor.

The volatility of the Net Asset Value of the Sub-Fund might not reflect the true portfolio performance (and therefore might deviate from the Sub-Fund's benchmark, where applicable) as a consequence of the application of swing pricing.

### **8.3 Publication of the Net Asset Value**

The publication of the Net Asset Values will take place on the same day as the Valuation Day unless otherwise provided for in the Supplement. The Net Asset Value per Share of each Share Class within each Sub-Fund will be available from the Administrator and Distributors during normal business hours and is published on <http://www.jyskesicav.lu>.

### **8.4 Temporary suspension of the Net Asset Value calculation**

The Board of Directors, upon consultation with the Management Company, may temporarily suspend the calculation and publication of the Net Asset Value per Share of any Share Class in any Sub-Fund and/or where applicable, the issue, redemption and conversion of Shares of any Share Class in any Sub-Fund in the following cases:

- 1) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, for reasons other than for ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- 2) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;
- 3) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;
- 4) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;
- 5) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;

- 6) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage the assets of a Sub-Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;
- 7) when there is a suspension of the Net Asset Value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;
- 8) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of investors;
- 9) in the event of a notice to shareholders of the Fund convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Fund or informing them about the termination and liquidation of a Sub-Fund or Share Class, and more generally, during the process of liquidation of the Fund, a Sub-Fund or Share Class;
- 10) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- 11) during any period when the dealing of the Shares of a Sub-Fund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
- 12) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Fund, a Sub-Fund or Share Class, in compliance with the principle of fair treatment of investors in their best interests.

In the event of exceptional circumstances which could adversely affect the interest of investors or where significant requests for subscription, redemption or conversion of Shares are received for a Sub-Fund or Share Class, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Sub-Fund or Share Class only after the Fund has completed the necessary investments or divestments in securities or other assets for the Sub-Fund or Share Class concerned.

The issue, redemption and conversion of Shares in the any Share Class will also be suspended during any such period when the Net Asset Value of such Share Class is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class, will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any Sub-Fund or Share Class will have no effect on the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any other Sub-Fund or Share Class.



Suspended subscription, redemption, and conversion applications will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Administrator or a Distributor before the end of the suspension period.

## **9. FEES AND EXPENSES**

### **9.1 Subscription Fee and Redemption Fee**

Subscriptions for Shares may be subject to a Subscription Fee and redemptions of Shares may be subject to a Redemption Fee both calculated as specified in the Supplement, where applicable. Conversions of Shares may be subject to a Conversion Fee calculated as specified in the Supplement, where applicable. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

The Distributor, Banks and other financial intermediaries appointed by or acting on behalf of the investors may charge administration and/or other fees or commissions to the investors pursuant to arrangements between those banks or other financial intermediaries and the investors. The Fund has no control over such arrangements.

### **9.2 Management Company Fee**

The Management Company will be entitled to receive out of the assets of the Fund an annual Management Company Fee of EUR 20,000 p.a. (on umbrella level). In addition, the Management Company will be entitled to receive out of the assets of each Sub-Fund an annual Management Company Fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class as set-out in the supplement of each Sub-Fund with a minimum annual fee of 17,500 EUR p.a. per Sub-Fund. The Management Company Fee is charged to the Sub-Funds on a pro rata basis on each Valuation Day and paid on a monthly basis in arrears to the Management Company. The Management Company will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Management Company Fee does not cover the fees paid to the Investment Manager and Global Distributor.

### **9.3 Management Fee**

The Investment Manager and the Global Distributor will be entitled to the following fee:

- 1) The Investment Manager will be entitled to receive out of the assets of each Sub-Fund an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class as set-out in the supplement of each Sub-Fund. The fee is charged to the Sub-Funds on a pro rata basis on each Valuation Day and paid on a monthly basis in arrears to the Investment Manager.

The fee is paid to the Investment Manager by the Management Company out of the assets of each Sub-Fund.

- 2) The Global Distributor will be entitled to receive out of the assets of each Sub-Fund an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class as set-out in the supplement of each Sub-Fund. The fee is charged to the Sub-Funds on a pro rata basis on each Valuation Day and paid on a monthly basis in arrears to the Global Distributor.

The fee is paid to the Global Distributor by the Management Company out of the assets of each Sub-Fund.

The fee, as set out under 1) and 2) above, paid to the Investment Manager and Global Distributor is set-out as “Management Fee” in the Supplements of the Sub-Funds and contains the fee for both services.

#### **9.4 Fees of the Depositary and the Paying Agent**

The Depositary and Paying Agent will be entitled to receive out of the assets of each Sub-Fund an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class subject to a minimum fee per Sub-Fund or Share Class. The Depositary fee will be calculated on the Net Assets Value of each Sub-Fund, as further set out in the Supplement for each Sub-Fund, subject to a minimum of 20,000 EUR p.a. per Sub-Fund.

The Depositary fee is 0.03% p.a. for cash equities and fixed income in most of the regulated European markets and for all the other assets. For cash equities and fixed income in other countries and/or markets, different fee levels of up to 0.50% p.a. may apply as further detailed in the Depositary Agreement.

The Depositary fee is charged to the Sub-Funds on a pro rata basis on each Valuation Day and paid on a monthly basis in arrears to the Depositary out of the Sub-Fund’s assets. Further fees may be payable to the Depositary in consideration of ancillary services rendered to the Sub-Funds and relating to the core services of the Depositary. These fees will be paid directly out of the relevant Sub-Fund’s assets to the Depositary. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each Sub-Fund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties upon approval by the Management Company.

#### **9.5 Fees of the Administrator**

The Administrator will be entitled to receive from the Management Company annual customary fees equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class subject to a minimum fee per Sub-Fund or Share Class. The Administrator fee will be calculated by reference to the Net Asset Value of each Sub-Fund or Share Class, subject to a rate of 0.03% p.a. with a minimum of 30,000 EUR p.a. per Sub-Fund. The Administrator fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of each Sub-Fund to the Management Company. The Management Company will transfer such fee to the Administrator. Further fees may be payable to the Administrator in consideration of ancillary services rendered to the Fund and relating to the core services of the Administrator. These fees will be paid directly out of the Fund’s assets to the Administrator. The Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties upon approval by the Board of Directors of the Fund.

#### **9.6 Directors’ fees and expenses**

The members of the Board of Directors are entitled to receive a fee in consideration for their function. However, members of the Board of Directors who are also directors, officers or employees of manager/promoter or its affiliates will be requested to waive their fees. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the

member of the Board of Directors in question. The Fund may also pay fees and expenses to members of any committee established by the Board of Directors.

The Fund bears all ordinary operating costs and expenses incurred in the operation of the Fund or any Sub-Fund or Share Class (“**Operating and Administrative Expenses**”) including but not limited to costs and expenses incurred in connection with:

- 1) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a Sub-Fund or Share Class that are required by applicable laws and regulations (such as the Articles of Association, this Prospectus, key investor information documents, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, factsheets and similar documents);
- 2) other fees in relation to the establishment and launch of the Fund;
- 3) organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders as well as other corporate secretarial services;
- 4) professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;
- 5) the authorisation of the Fund, the Sub-Funds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;
- 6) initial and ongoing obligations relating to the registration and/or listing of the Fund, a Sub-Fund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
- 7) due diligence fees and fees for the update of procedures charged by the Management Company to the Fund;
- 8) fees for domiciliation and transfer agency services;
- 9) the determination and publication of tax factors for the EU/EEA Member States and/or any other countries where distribution licences and/or private placements exist, according to the actual expenditure incurred at market rates;
- 10) memberships or services provided by international organisations or industry bodies such as the Association of the Luxembourg Fund Industry (ALFI);
- 11) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (*taxe d’abonnement*) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and

12) the reorganisation or liquidation of the Fund, a Sub-Fund or Share Class.

### **9.7 Transaction costs**

Each Sub-Fund bears the costs and expenses arising from buying and selling portfolio assets and entering into other transactions in securities or other financial instruments, such as brokerage fees and commissions and all other fees, expenses, commissions, charges, premiums and interest paid to banks, brokers, execution agents or securities lending agents and/or incurred in participating in any repurchase, reverse repurchase and securities lending programs, collateral management fees and associated costs and charges, exchange fees, taxes, levies and stamp duties chargeable in connection with transactions in securities or other financial, and any other transaction-related expenses approved by the Investment Manager.

### **9.8 Extraordinary expenses**

In order to safeguard the interests of the Fund and its investors, the Fund or any Sub-Fund may bear any extraordinary expenses including, without limitation, expenses related to litigation and regulatory investigations (including penalties, fines, damages and indemnifications) and the full amount of any tax, levy, duty or similar charge imposed on the Fund or Sub-Fund that would not be considered as ordinary Operating and Administrative Expenses.

### **9.9 Formation expenses**

The fees and expenses incurred in connection with the formation of the Fund and the initial Sub-Funds will be borne by Jyske Bank A/S.

## 10. GENERAL INFORMATION

### 10.1 Reports and financial statements

The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund. The Fund will also issue a Semi-Annual Report as of 30 June of the current financial year. The first financial year will end on 31 December 2017 and the first Annual Report will be issued as of 31 December 2017. The first Semi-Annual Report will be issued as of 30 June 2017.

The Annual Report shall be made available to investors within four (4) months following the end of the reporting period and the Semi-Annual Report will be made available to investors within two (2) months following the end of the reporting period. Investors may obtain, upon request, a copy of the latest financial reports from the Management Company and the Distributor free of charge and on [http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html).

The Reference Currency of the Fund is the Euro. The Annual Report will comprise consolidated accounts of the Fund expressed in Euro as well as individual information on each Sub-Fund expressed in the Reference Currency of such Sub-Fund.

### 10.2 Meetings of shareholders

The annual general meeting of shareholders will be held within six (6) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Other general meetings of shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Fund. General meetings of shareholders of any Sub-Fund or any Share Class within a Sub-Fund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Sub-Fund or Share Class.

Notices of all general meetings may be made through announcements filed with the Luxembourg Trade and Companies Register and be published at least fifteen (15) days before the meeting in *the Recueil électronique des sociétés et associations (RESA)* and a Luxembourg newspaper and sent to all registered shareholders by ordinary mail; (*lettre missive*) or if the addressees have individually accepted to receive the convening notices by another means of communication ensuring access to the information, by such means of communication. Alternatively, convening notices will be sent to registered shareholders by registered mail only at least eight (8) calendar days prior to the meeting. Convening notices will also be published and/or communicated to investors as required by applicable laws and regulations in other jurisdictions where the Shares are distributed may be published on [www.jyskesicav.lu](http://www.jyskesicav.lu). Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles of Association and in the 1915 Law. All shareholders may attend general meetings in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Fund. A single person may represent several or even all shareholders of the Fund, a Sub-Fund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund, and at all meetings of the Sub-Fund or Share Class concerned to the extent that such Share is a Share of such Sub-Fund or Share Class. Shareholders holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the board of directors relating to transactions in connection with the management of the Fund.

The Board of Directors may suspend the voting rights of any shareholder in breach of his obligations as described in this Prospectus or the Articles of Association.

### **10.3 Investors' rights**

Upon the issue of the Shares, the person whose name appears on the register of Shares will become a shareholder of the Fund in relation to the relevant Sub-Fund and Share Class. The Fund draws the investors' attention to the fact that where an investor invests in the Fund through an intermediary acting in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights, such as the right to participate in general meetings of shareholders, directly against the Fund. Investors are advised to seek advice in relation to their rights.

The Articles of Association are governed by, and construed in accordance with, the laws currently in force in Luxembourg. The subscription document is expressed to be governed by, and construed in accordance with, the laws currently in force in Luxembourg, and contains a choice of international competence of the courts of Luxembourg.

There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of mandatory domestic provisions, renders a judgment against the Fund, the rules of the Brussels I (Recast) (regarding judgments from EU Member States) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU Member States) concerning the recognition and enforcement of foreign judgments apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

### **10.4 Changes to this Prospectus**

The Board of Directors, in close cooperation with the Management Company, may from time to time amend this Prospectus to reflect various changes it deems necessary and in the best interest of the Fund, such as implementing changes to laws and regulations, changes to a Sub-Fund's objective and policy or changes to fees and costs charged to a Sub-Fund or Share Class. Any amendment of this Prospectus will require approval by the CSSF prior to taking effect. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree.

## 10.5 Documents available

Investors may, upon request, obtain a copy of the Articles of Association, this Prospectus, the applicable KIID, the latest Annual Report or Semi-Annual Report. The agreements referred to in this Prospectus may be inspected during usual business hours on any Business Day at the registered office of the Fund.

The Management Company and the Investment Manager have adopted a “best execution” policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy may be obtained from the Management Company or the Investment Manager upon request.

The Management Company has a strategy for determining when and how voting rights attached to ownership of a Sub-Fund’s investments are to be exercised for the exclusive benefit of the Sub-Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to each Sub-Fund may be obtained from the Management Company upon request and on [http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html).

## 10.6 Complaints

Any investor having a complaint to make about the operations of the Fund may file a complaint by writing to the Management Company. Details on the complaints handling procedure may be obtained from the Management Company upon request and on <http://www.jyskesicav.lu> and [http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html).

## 10.7 Data protection

In accordance with the provisions of the Luxembourg law of 1st August 2018 organizing the National Commission for data protection and of the general system on data protection, as it may be amended from time to time and the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (“**Data Protection Law**”), the Fund, acting as data controller, collects, stores and processes, by electronic or other means, the data supplied by investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations.

The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Fund of investors (and, if the investor is a legal person, of any natural person related to it such as its contact person(s) and/or beneficial owner(s)) (“**Personal Data**”).

The investor may at his/her/its discretion refuse to communicate Personal Data to the Fund. In this case, however, the Fund may reject a request for Shares.

Personal Data supplied by investors is processed to enter into and perform the subscription in the Fund (i.e. for the performance of a contract), for the legitimate interests of the Fund and to comply with the legal obligations imposed on the Fund. In particular, the Personal Data is processed for the purposes of (i) processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors, account administration, (ii) client relationship management, (iii) performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and



regulations (including laws and regulations relating to FATCA or CRS) and (iv) compliance with applicable anti-money laundering rules. Data supplied by shareholders is also processed for the purpose of (v) maintaining the register of shareholders of the Fund. In addition, Personal Data may be processed for the purposes of (vi) marketing.

The “legitimate interests” referred to above are:

- the processing purposes described in points (ii) and (vi) of the above paragraph of this data protection section;
- meeting and complying with the Fund’s accountability requirements and regulatory obligations globally; and
- exercising the business of the Fund in accordance with reasonable market standards.

To this end, and in accordance with the provisions of the Data Protection Law, Personal Data may be transferred by the Fund to its data recipients (the “**Recipients**”) which, in the context of the above-mentioned purposes, refer to its affiliated and third-party entities supporting the activities of the Fund which include, in particular, the Management Company, Administrator, Distributors, Depositary, Paying Agent, Investment Manager, Domiciliation Agent, Global Distributor, Auditor and Legal adviser of the Fund.

The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the “**Sub-Recipients**”), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Company and/or assisting the Recipients in fulfilling their own legal obligations.

The Recipients and Sub-Recipients may be located within or outside the European Economic Area (the “**EEA**”), in countries whose data protection laws may not offer an adequate level of protection.

In case of a transfer of Personal Data to Recipients and/or Sub-Recipients located outside the EEA in a country that does not provide an adequate level of protection, the Fund will contractually ensure that the Personal Data relating to investors is protected in a manner which is equivalent to the protection offered pursuant to the Data Protection Law, which may take the form of EU Commission approved “Model Clauses”. In this respect, the investor has a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Fund’s address as specified above in the “Directory”.

In subscribing for Shares, each investor is expressly informed of the transfer and processing of his/her/its Personal Data to the Recipients and Sub-Recipients referred to above, including entities located outside the EEA and in particular in countries which may not offer an adequate level of protection.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Fund), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations). The Fund may also transfer Personal Data to third-parties such as governmental or regulatory agencies, including tax authorities, in or outside the EEA, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions set out by the Data Protection Law, each investor will upon written request to be addressed to the Fund's address as specified above in the "Directory" have the right to:

- access his/her/its Personal Data (i.e. the right to obtain from the Fund confirmation as to whether or not his/her/its Personal Data is being processed, to be provided with certain information about the Fund's processing of his/her/its Personal Data, to access such data, and to obtain a copy of the Personal data undergoing processing (subject to legal exceptions));
- ask for Personal Data to be rectified where it is inaccurate or incomplete (i.e. the right to require from the Fund that inaccurate or incomplete Personal Data or any material error be updated or corrected accordingly);
- restrict the use of his/her/its Personal Data (i.e. the right to obtain that, under certain circumstances, the processing of his/her/its Personal Data should be restricted to storage of such data unless his/her/its consent has been obtained);
- object to the processing of his/her/its Personal Data, including to object to the processing of his/her/its Personal Data for marketing purposes (i.e. the right to object, on grounds relating to the investor's particular situation, to processing of Personal Data which is based on the performance of a task carried out in the public interest or the legitimate interests of the Fund. The Fund shall stop such processing unless it can either demonstrate compelling legitimate grounds for the processing that override investor's interests, rights and freedoms or that it needs to process the data for the establishment, exercise or defence of legal claims);
- ask for erasure of his/her/its Personal Data (i.e. the right to require that Personal Data be erased in certain circumstances, including where it is no longer necessary for the Fund to process this data in relation to the purposes for which it collected or processed);
- ask for Personal Data portability (i.e. the right to have the data transferred to the investors or another controller in a structured, commonly used and machine-readable format, where this is technically feasible).

Investors also have a right to lodge a complaint with the National Commission for Data Protection (the "CNPD") at the following address: 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand Duchy of Luxembourg, or when investors reside in another European Union Member State, with any other locally competent data protection supervisory authority.

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

## **10.8 Merger and reorganisation**

### **10.8.1 Merger of the Fund or a Sub-Fund with other UCITS**

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the Fund with one or several other Luxembourg or foreign UCITS or sub-funds thereof. The Board of Directors may also decide to proceed with a merger (within the meaning of the 2010 Law) of one or several Sub-Funds with one or several other Sub-Funds within the Fund, or with one or several other Luxembourg or foreign UCITS or sub-funds thereof. In accordance with the provisions of the 2010 Law, a merger does not require the

prior consent of investors except where the Fund is the absorbed entity, which thus ceases to exist as a result of the merger: in such case, the general meeting of shareholders of the Fund must decide on the merger and its effective date. The general meeting will decide by resolution taken with no quorum requirement and adopted by a two thirds majority of the votes validly cast.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of the Fund or any Sub-Fund, as applicable, may also decide on any of the mergers described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund. The convening notice will explain the reasons for and the process of the proposed merger.

In any case, the merger will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the common draft terms of the merger to be established by the Board of Directors and the information to be provided to investors.

### **10.8.2 Absorption of another UCI by the Fund or a Sub-Fund**

The Board of Directors may decide to proceed with the absorption by the Fund or one or several Sub-Funds of one or several sub-funds of another Luxembourg or a foreign UCI (other than a UCITS) irrespective of their form, or any Luxembourg or foreign UCI (other than a UCITS) constituted under a non-corporate form. The exchange ratio between the Shares and the shares or units of the absorbed UCI or sub-funds thereof will be calculated on the basis of the Net Asset Value per share or unit as of the effective date of the absorption.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of the Fund or any Sub-Fund, as applicable, may also decide on any of the absorptions described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund. The convening notice will explain the reasons for and the process of the proposed absorption.

The Fund may absorb another Luxembourg or foreign UCI (other than a UCITS) incorporated under a corporate form in compliance with the 1915 Law and any other applicable laws and regulations.

### **10.8.3 Reorganisation of Share Classes**

The Board of Directors may decide to reorganise Share Classes, as further described below, in the event that, for any reason, the Board of Directors determines that:

- (i) the Net Asset Value of a Share Class has decreased to, or has not reached, the minimum level for that Share Class to be managed and/or administered in an efficient manner;
- (ii) changes in the legal, economic or political environment would justify such reorganisation; or
- (iii) a product rationalisation would justify such reorganisation.

In such a case, the Board of Directors may decide to re-allocate the assets and liabilities of any Share Class to those of one or several other Share Classes, and to re-designate the Shares of the Share Class concerned as Shares of such other Share Class or Share Classes (following a split or consolidation of Shares, if necessary, and the payment to investors of the amount corresponding to any fractional entitlement).

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, investors may also decide on such reorganisation by resolution taken by the general meeting of shareholders of the Share Classes. The convening notice will explain the reasons for and the process of the proposed reorganisation.

Investors will be informed of the reorganisation by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and posted on <http://www.jyskesicav.lu>. The notice will explain the reasons for and the process of the reorganisation.

## **10.9 Liquidation**

### **10.9.1 Termination and liquidation of Sub-Funds or Share Classes**

The Board of Directors may decide to compulsorily redeem all the Shares of any Sub-Fund or Share Class and thereby terminate and liquidate any Sub-Fund or Share Class in the event that, for any reason, the Board of Directors determines that:

- (i) the Net Asset Value of a Sub-Fund or Share Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Share Class to be managed and/or administered in an efficient manner;
- (ii) changes in the legal, economic or political environment would justify such liquidation;  
or
- (iii) a product rationalisation would justify such liquidation.

Investors will be informed of the decision to terminate a Sub-Fund or Share Class by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and posted on <http://www.jyskesicav.lu>. The notice will explain the reasons for and the process of the termination and liquidation.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of any Sub-Fund or Share Class, as applicable, may also decide on such termination by resolution taken by the general meeting of shareholders of the Sub-Fund or Share Class and have the Fund redeem compulsorily all the Shares of the Sub-Fund or Share Class at the Net Asset Value per Share for the applicable Valuation Day. The convening notice will explain the reasons for and the process of the proposed termination and liquidation.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Investors in the Sub-Fund or Share Class concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determines that it would not be in the best interest of investors in that Sub-Fund or Share Class or could jeopardise the fair treatment of investors.

All Shares redeemed will generally be cancelled. Redemption proceeds which have not been claimed by investors upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations.

Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

The termination and liquidation of a Sub-Fund or Share Class will have no influence on the existence of any other Sub-Fund or Share Class. The decision to terminate and liquidate the last Sub-Fund existing in the Fund will result in the dissolution and liquidation of the Fund in accordance with the provisions of the Articles of Association.

### **10.9.2 Dissolution and liquidation of the Fund**

The Fund is incorporated for an unlimited period. It may be dissolved at any time with or without cause by a resolution of the general meeting of shareholders adopted in compliance with applicable laws.

The compulsory dissolution of the Fund may be ordered by Luxembourg competent courts in circumstances provided by the 2010 Law and the 1915 Law.

As soon as the decision to dissolve the Fund is taken, the issue, redemption or conversion of Shares in all Sub-Funds is prohibited. The liquidation will be carried out in accordance with the provisions of the 2010 Law and 1915 Law. Liquidation proceeds which have not been claimed by investors at the time of the closure of the liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

### **10.10 Remuneration Policy**

The Board of Directors of the Management Company has adopted a remuneration policy, the objectives of which are to ensure that the remuneration is in line with the applicable regulations, and more specifically with the provisions defined under (i) the UCITS Directive 2014/91/EU, the ESMA final report on sound remuneration policies under the UCITS Directive and AIFMD published on 31 March 2016, (ii) the Alternative Investment Fund Managers (AIFM) Directive 2011/61/EU, transposed into the Luxembourg AIFM Law dated from 12 July 2013, as amended from time to time, the ESMA guidelines on sound remuneration policies under the AIFM published on 11 February 2013 and (iii) the CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector issued on 1 February 2010; and to comply with the UBS AG remuneration policy framework. Such remuneration policy is reviewed at least annually.

The remuneration policy promotes a sound and effective risk management environment, is in line with the interests of the investor and discourages risk-taking which is inconsistent with the risk profiles rules or instruments of incorporation of such UCITS/AIFs. The remuneration policy furthermore fosters compliance with the Management Company's and the UCITS'/AIFs' strategies, objectives, values and interests including measures to avoid conflicts of interest.

This approach furthermore focuses amongst others on:

- The assessment of performance which is set in a multi-year framework appropriate to the holding periods recommended to the investors of the Sub-Funds in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- The remuneration of all staff members is appropriately balanced between fixed and variable elements. The fixed component of the remuneration represents a sufficient high proportion of the total remuneration and allows a fully flexible bonus strategy,

including the possibility to pay no variable remuneration component. The fixed remuneration is determined by taking into consideration the role of the individual employee, including responsibility and job complexity, performance and local market conditions. It is also to be noted that the Management Company may, on its own discretion, offer fringe benefits to some employees which are an integral component of the fixed remuneration.

Any relevant disclosures shall be made in the annual reports of the Management Company in accordance with the provisions of the UCITS Directive 2014/91/EU.

Shareholders can find more details about the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available on [http://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](http://www.ubs.com/lu/en/asset_management/investor_information.html). A paper copy of such document is available free of charge from the Management Company upon request.

## 11. TAXATION

### 11.1 General

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

It is expected that the Fund's shareholders will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with a shareholder's personal circumstances. Investors should be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in this Section 11 to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, to the solidarity surcharge and to a temporary tax (*impôt d'équilibrage budgétaire*). Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply in addition.

### 11.2 The Fund

Under current law and practice, the Fund is not liable to any Luxembourg income or net wealth tax, nor are dividends paid by the Fund subject to any Luxembourg withholding tax.

However, the Fund is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% *per annum* of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the respective Sub-Fund at the end of the relevant quarter. A reduced tax rate of 0.01% *per annum* of the net assets will be applicable to (i) undertakings whose sole object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions, (ii) undertakings whose sole object is the collective investment in deposits with credit institution and (iii) individual compartments of UCIs with multiple compartments referred to in the 2010 Law as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

An exemption from subscription tax applies in the following cases:

- (a) for the value of the assets represented by shares or units held in other UCIs to the extent such shares or units have already been subject to the subscription tax provided by the amended law of 13 February 2007 on specialised investment funds, the 2010 Law or by the law of 23 July 2016 on reserved alternative investment funds;
- (b) for UCIs, as well as individual sub-funds of UCIs with multiple sub-funds:
  - i. the securities of which are reserved for institutional investors; and
  - ii. the exclusive object of which is the collective investment in Money Market Instruments and the placing of deposits with credit institutions; and
  - iii. the weighted residual portfolio maturity of which does not exceed 90 days; and
  - iv. that have obtained the highest possible rating from a recognised rating agency;
- (c) for UCIs, the securities of which are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employers' initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they hold, in order to provide their employees with retirement benefits;
- (d) UCIs as well as individual sub-funds of umbrella UCIs with multiple sub-funds whose main objective is the investment in microfinance institutions; or
- (e) for UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and (ii) whose exclusive object is to replicate the performance of one or more indices.

No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the Fund. Any amendments to the Articles of Association are as a rule subject to a fixed registration duty of 75 EUR.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short term or long term, are not expected to become taxable in another country, shareholders must be aware and recognise that such a possibility is not totally excluded. The regular income of the Fund from some of its securities as well as interest earned on cash deposits and capital gains in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered. Withholding and other taxes levied at source, if any, are not recoverable. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

### **11.2.1 Withholding tax**

Under current Luxembourg tax law, the Fund is not liable to withholding taxes on dividends or distribution of liquidation proceeds to the shareholders under the Shares.



## **11.2.2 Value added tax**

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

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

## **11.3 Shareholders**

### **11.3.1 Luxembourg tax residency**

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

### **11.3.2 Income tax - Luxembourg residents**

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

### **11.3.3 Luxembourg Resident Individuals**

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

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the share capital of the Fund or (ii) the shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

Capital gains realised upon the disposal of the Shares by a resident individual shareholder, who acts in the course of the management of his professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference

between the price for which the Shares have been disposed of and the lower of their cost or book value.

#### **11.3.4 Luxembourg resident corporations**

Luxembourg resident corporate Shareholders (*sociétés de capitaux*) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### **11.3.5 Luxembourg residents benefiting from a special tax regime**

Luxembourg resident shareholders which benefit from a special tax regime, such as (i) UCI subject to the 2010 Law, (ii) specialised investment funds governed by amended the law of 13 February 2007, (iii) reserved alternative investment fund vehicle (opting for the treatment as a specialised investment fund) governed by the law of 23 July 2016 and (iv) family wealth management companies governed by the amended law of 11 May 2007, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

#### **11.3.6 Income tax - Luxembourg non-residents**

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which the Shares are attributable are generally not subject to any income capital gains in Luxembourg.

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

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

#### **11.3.7 Net Wealth Tax**

Luxembourg resident shareholders, and non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the Law of 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a reserved alternative investment fund vehicle governed by the law of 23 July 2016, (v) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (vi) a specialised investment fund governed by the amended law of 13 February 2007, or (vii) a family wealth management company governed by the amended law of 11 May 2007.

However, (i) a Luxembourg resident securitization company governed by the amended law of 22 March 2004 on securitization, (ii) a professional pension institution governed by the amended law of 13 July 2005, (iii) a reserved alternative investment fund vehicle (opting for the treatment as a venture capital vehicle) governed by the law of 23 July 2016 (iv) and a Luxembourg resident company governed by the amended law of 15 June 2004 on venture capital vehicles shall be subject to the minimum net wealth tax charge according to the amended law of 16 October 1934 on net wealth tax.

### **11.3.8 Other Taxes**

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

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

## **11.4 Exchange of information**

### **11.4.1. FATCA**

Capitalized terms used in this section should have the meaning as set forth in the IGA, unless provided otherwise herein.

FATCA provisions impose a reporting to the U.S. Internal Revenue Service of US Persons' (within the meaning of FATCA) direct and indirect ownership of non-U.S. accounts and non-U.S. entities.

As part of the process of implementing FATCA, Luxembourg entered into a Model I IGA, in order to facilitate compliance of entities like the Fund, with FATCA and avoid US withholding tax. Under the IGA, some Luxembourg entities like the Fund will have to provide the Luxembourg tax authorities with information on the identity, the investments of the shareholders and the income received by their shareholders. The Luxembourg tax authorities will then automatically pass the information on to the U.S. Internal Revenue Service.

However, the reporting obligations are not required in case the Fund can rely on a specific exemption contained in the IGA. In this respect, the Fund expects to be treated as a Non-Reporting Financial Institution under the Collective Investment Vehicle category within the meaning of the IGA, given that all of the Shares are expected to be held by or through FATCA Eligible Investors.

Accordingly, the Fund should not be required to report information on its shareholders and their investment in the Fund under the IGA.

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

- withhold any taxes or similar charges that it is legally required to withhold by applicable laws and regulations in respect of any shareholding in the Fund;
- require any shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Fund in its discretion in order to comply with

applicable laws and regulations and/or to promptly determine the amount of withholding to be retained;

- divulge any such personal information to any tax or authority, as may be required by applicable laws or regulations or requested by such authority; and
- delay payments of any dividend or redemption proceeds to a shareholder until the Fund holds sufficient information to comply with applicable laws and regulations or determine the correct amount to be withheld.

To ensure that the Fund regularly satisfies the aforementioned investors' restrictions, shareholders may be requested to provide the Fund with the information, along with the required supporting documentary evidence. In this context, as further detailed above under the "Data Protection" clause of this Agreement, the shareholders are hereby informed that the Fund is responsible for the processing of their Personal Data and each shareholder has notably a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law.

In case the Non-Reporting Financial Institution status of the Fund changed to a Reporting Financial Institution status, the shareholders will be notified of the change and the Prospectus amended accordingly.

The shareholders undertake to inform the Fund within thirty (30) days of receipt of any statement that would affect its status including inaccurate personal data. The shareholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for any taxes or penalties imposed on the Fund and attributable to such shareholder's failure to provide the documentation.

All prospective investors are advised to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Fund.

#### **11.4.2. Exchange of information – Common Reporting Standard**

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

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 the CRS in Luxembourg (the "CRS Law").

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be 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 shareholders 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 shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, as further detailed above under the “Data Protection” section of this Prospectus, the shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law.

The shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

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

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

Any shareholder that fails to comply with the Fund’s Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such shareholder’s failure to provide the Information or subject to disclosure of the Information by the Fund to the Luxembourg tax authorities.

## **SUPPLEMENT 1 – JYSKE SICAV STABLE STRATEGY**

### **1. Launch date and Initial Offer**

The Sub-Fund was launched on 1 February 2017. The Initial Offer was from 26 January 2017 to 27 January 2017.

### **2. Reference Currency**

The Reference Currency of the Sub-Fund is EUR.

### **3. Investment objective**

The objective of the portfolio management is to generate a return over time which is at least in line with the market development - measured by a comparable benchmark return. The benchmark is a composite benchmark hedged to EUR consisting of

- 65% JP Morgan Hedged ECU Unit Government Bond Index Global,
- 20% MSCI AC World Index, net dividend included,
- 7.5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified,
- 3.75% Bofa Merrill Lynch European Currency High Yield, BB-B Constrained Index, and
- 3.75% Bofa Merrill Lynch US High Yield, BB-B Constrained Index.

### **4. Investment policy and specific restrictions**

The Sub-Fund invests in a global equity and bond portfolio. Equities account for 0%-40%. The companies in the equity portfolio are from various regions, countries and sectors. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and international organisations. Investment is also made in emerging-market bonds and equities as well as in corporate bonds from both emerging- and developed markets. These securities involve a certain degree of risk.

At least 75% of the Sub-Fund's assets will at all times be invested in EUR or hedged to EUR.

Provided that investments comply with the Sub-Fund's investment policy, investment restriction and other requirements applicable to the Sub Fund, the Sub-Fund may invest in regulated markets that are covered by Article 4(1)(14) of the MiFID directive, and also in other regulated markets in the EU and third countries that are members of the World Federation of Exchanges (WFE) or Federation of European Securities Exchanges (FESE) and that have been approved by the Board of Directors.

In addition, the assets of the Sub-Fund may be invested in the US market for high-yield bonds, also called the OTC fixed income market regulated by the FINRA (Financial Industry Regulatory Authority) as well as in Rule 144 A issues with a right of exchange into papers which are registered with the U.S. Securities and Exchange Commission (SEC) within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC fixed income market. There are no requirements of the rating of such bonds, of the size of the issues or of the liquidity hereof.

No more than 10% of the Sub-Fund's assets may be invested in Transferable Securities or Money Market Instruments other than those referred to in Article 41(1) of the 2010 Law.

The Sub-Fund may invest up to 10% of its assets in other UCITS and UCIs.

The Sub-Fund will neither make use of securities financing transactions (i.e. (i) repurchase transactions, (ii) securities or commodities lending and securities or commodities borrowing, (iii) buy-sell back transactions or sell-buy back transactions, and (iv) margin lending transactions) nor of total return swaps.

All of the above investments will be made in accordance with the limits set out in section 4 of this Prospectus.

**5. Investor profile**

The Sub-Fund targets primarily investors who invest free assets or pension assets and who typically have a time horizon of at least three (3) years.

**6. Specific risks**

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.

Investors must be aware that investment in a Jyske SICAV fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

When investing in this specific Sub-Fund, investors should, however, be particularly aware of:

- Particular risks associated with mixed funds;
- Particular risks associated with emerging markets;
- Foreign-currency risk;
- Exposure to more than one country.

**7. Global exposure**

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

**Level of collateral**

The level of collateral posted by a counterparty in favour of each Sub-Fund, which is required for OTC financial derivatives transactions and efficient portfolio management techniques will be taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus. At least the following level of collateral will be required by the Fund for the different types of transactions:

Type of Transaction	Level of collateral (in relation to volume of transaction concerned)
OTC financial derivatives transactions	102 %

## Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Board of Directors. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

According to the Fund's haircut policy the following discounts will be made:

Type of Collateral	Discount
Asset Class eligible for collateral	Minimum Haircut (% deducted from the market value)
Shares	15 %
Bonds, notes and Money Market Paper	From 2% to 10% depending on the maturity
Investment Fund Units	5%

## 8. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

## 9. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 1 p.m. CET on the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

## 10. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 1 p.m. CET on the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is three (3) Business Days following the Redemption Day.

## 11. Share Classes

The table below list all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Administrator or a Distributor upon request and on <http://www.jyskesicav.lu>.



Share Class name	EUR IC	EUR RC	EUR RD	SEK RC	SEK RD	NOK RC	NOK RD
Reference Currency	EUR	EUR	EUR	SEK	SEK	NOK	NOK
Distribution (D) or Capitalisation (C)	C	C	D	C	D	C	D
Currency Hedged Share Class	N/A	N/A	N/A	Yes	Yes	Yes	Yes
Minimum initial Subscription amount	100,000 EUR	-	-	-	-	-	-
Maximum fee for subscription or conversion to be paid to a distributor	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Maximum Redemption Fee	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Max. Swing Factor	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Management Company Fee	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)
Management Fee	0.45%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Depository fee**	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)
Administrator fee	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)
Annual Tax	0.01%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Initial list	Yes	No	Yes	No	No	No	No

\* Minimum fee applicable per Sub-Fund.

\*\*Different fee levels with a maximum of 0.5% p.a. may apply for cash equities and fixed income in certain countries and/or markets as further detailed in the Depository Agreement.

## **12. Distribution policy**

Subject to the provisions of the Prospectus, Distribution Share Classes will normally distribute dividends in accordance with the following distribution policies:

Distributing Share Classes will pay out a dividend annually according to Luxembourg law. The dividend is set by the Board of Directors for the approval by the general meeting.

## **13. Eligible Investors**

Share Class EUR IC is reserved for Institutional Investors.

## **SUPPLEMENT 2 – JYSKE SICAV DANISH BONDS**

### **1. Launch date and Initial Offer**

The Sub-Fund was launched on 1 February 2017. The Initial Offer was from 26 January 2017 to 27 January 2017.

### **2. Reference Currency**

The Reference Currency of the Sub-Fund is DKK.

### **3. Investment objective**

The objective of the portfolio management is to generate a return over time which is at least in line with the market development measured by a comparable benchmark return. The benchmark is Nordea Constant Maturity Government Index Denmark with a maturity of 5 years.

### **4. Investment policy and specific restrictions**

The Sub-Fund chiefly invests, directly and indirectly, in DKK-denominated bonds. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and international organisations.

Provided that investments comply with the Sub-Fund's investment policy, investment restrictions and other requirements applicable to the Sub Funds, the Sub-Fund may invest in regulated markets that are covered by Article 4(1)(14) of the MiFID directive, and also in other regulated markets in the EU and third countries that are members of the World Federation of Exchanges (WFE) or Federation of European Securities Exchanges (FESE) and that have been approved by the Board of Directors.

No more than 10% of the Sub-Fund's assets may be invested in Transferable Securities or Money Market Instruments other than those referred to in Article 41(1) of the 2010 Law.

The Sub-Fund may invest up to 10% of its assets in other UCITS and UCIs.

The Sub-Fund may use securities financing transactions in form of repurchase and reverse repurchase transactions for efficient portfolio management and hedging purposes. The use of such financial instruments is not expected to affect the Sub-Fund's overall risk profile.

A maximum of 100% of the assets held by the Sub-Fund (i.e. bonds) can be subject to repurchase and reverse repurchase transactions. The expected percentage of the assets subject to repurchase and reverse repurchase transactions is around 20%.

100% of the return generated by repurchase and reverse repurchase transactions is returned to the Sub-Fund. The costs and fees associated with the use of repurchase and reverse repurchase transactions are paid to the Depositary in accordance with the Depositary Agreement. The fees payable to the Depositary for trading with third party brokers other than the Depositary amount to 250 EUR per trade. The costs and fees are not assigned to third parties who are related parties to the Investment Manager.

The Sub-Fund will neither make use of other securities financing transactions (i.e. (i) securities or commodities lending and securities or commodities borrowing, (ii) buy-sell back

transactions or sell-buy back transactions and (iii) margin lending transactions) nor of total return swaps.

All of the above investments will be made in accordance with the limits set out in section 4 of this Prospectus.

**5. Investor profile**

The Sub-Fund targets primarily investors who invest free assets or pension assets and who typically have a time horizon of at least three (3) years.

**6. Specific risks**

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.

Investors must be aware that investment in a Jyske SICAV fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

When investing in this specific Sub-Fund, investors should, however, be particularly aware of:

- Particular risks associated with bonds funds;
- Exposure to a single country;
- Liquidity risk due to the illiquidity of some bonds.

**7. Global exposure**

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

**Level of collateral**

The level of collateral posted by a counterparty in favour of each Sub-Fund, which is required for OTC financial derivatives transactions and efficient portfolio management techniques will be taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus. At least the following level of collateral will be required by the Fund for the different types of transactions:

Type of Transaction	Level of collateral (in relation to volume of transaction concerned)
OTC financial derivatives transactions	102 %
EPM efficient portfolio management techniques	90 %

## Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Board of Directors. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

According to the Fund's haircut policy the following discounts will be made:

Type of Collateral	Discount
Asset Class eligible for collateral	Minimum Haircut (% deducted from the market value)
Shares	15 %
Bonds, notes and Money Market Paper	From 2% to 10% depending on the maturity
Investment Fund Units	5%

## 8. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

## 9. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 1 pm CET on the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

## 10. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 1 pm CET on the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is three (3) Business Days following the Redemption Day.

## 11. Share Classes

The table below list all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Administrator upon request and on <http://www.jyskesicav.lu>.

Share Class name	DKK IC	DKK RC	DKK RD	EUR IC	EUR RC	EUR RD	SEK RC	SEK RD	NOK RC	NOK RD
Reference Currency	DKK	DKK	DKK	EUR	EUR	EUR	SEK	SEK	NOK	NOK
Distribution (D) or Capitalisation (C)	C	C	D	C	C	D	C	D	C	D
Currency Hedged Share Class	N/A	N/A	N/A	Yes	No	Yes	No	No	No	No
Minimum initial Subscription Amount	100,000 EUR*	-	-	100,000 EUR	-	-	-	-	-	-
Maximum fee for subscription or conversion to be paid to a distributor	0.00%	1.00%	1.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Maximum Redemption Fee	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Max. Swing Factor	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Management Company Fee	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)
Management Fee	0.275%	0.55%	0.55%	0.275%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%
Depository fee***	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)
Administrator fee	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)
Annual Tax	0.01%	0.05%	0.05%	0.01%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Initial list	Yes	No	No	No	No	Yes	No	No	No	No

\* the equivalent thereof in the Reference Currency of the Share Class.

\*\*Minimum fee applicable per Sub-Fund.

\*\*\*Different fee levels with a maximum of 0.5% p.a. may apply for cash equities and fixed income in certain countries and/or markets as further detailed in the Depository Agreement.

## **12. Distribution policy**

Subject to the provisions of the Prospectus, Distribution Share Classes will normally distribute dividends in accordance with the following distribution policies:

Distributing Share Classes will pay out a dividend annually according to Luxembourg law. The dividend is set by the Board of Directors for the approval by the general meeting.

## **13. Eligible Investors**

Share Class DKK IC is reserved for Institutional Investors.

## **SUPPLEMENT 3 – JYSKE SICAV EQUITIES LOW VOLATILITY**

### **1. Launch date and Initial Offer**

The Sub-Fund was launched on 1 February 2017. The Initial Offer was from 26 January 2017 to 27 January 2017.

### **2. Reference Currency**

The Reference Currency of the Sub-Fund is EUR.

### **3. Investment objective**

The objective of the portfolio management is to generate a return in the long term which is in line with the market development in the global equity market, yet with smaller price fluctuations. This will be achieved by investing in equities with low volatility and of high quality.

### **4. Investment policy and specific restrictions**

The Sub-Fund invests chiefly (at least 90%) in a global equity portfolio, which is expected to be less volatile than the global equity market. The companies are from several regions, countries and sectors.

Provided that investments comply with the Sub-Fund's investment policy, investment restrictions and other requirements applicable to the Sub Fund, the Sub-Fund may invest in regulated markets that are covered by Article 4(1)(14) of the MiFID directive, and also in other regulated markets in the EU and third countries that are members of the World Federation of Exchanges (WFE) or Federation of European Securities Exchanges (FESE) and that have been approved by the Board of Directors.

No more than 10% of the Sub-Fund's assets may be invested in Transferable Securities or Money Market Instruments other than those referred to in Article 41(1) of the 2010 Law.

The Sub-Fund may invest up to 10% of its assets in other UCITS and UCIs.

The Sub-Fund will neither make use of securities financing transactions (i.e. (i) repurchase transactions, (ii) securities or commodities lending and securities or commodities borrowing, (iii) buy-sell back transactions or sell-buy back transactions, and (iv) margin lending transactions) nor of total return swaps.

All of the above investments will be made in accordance with the limits set out in section 4 of this Prospectus.

### **5. Investor profile**

The Sub-Fund targets primarily investors who invest in free assets or pension assets and who typically have a time horizon of at least four (4) years.

### **6. Specific risks**

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.



Investors must be aware that investment in a Jyske SICAV fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

When investing in this specific Sub-Fund, investors should, however, be particularly aware of:

- Particular risks associated with equity funds;
- Particular risks associated with emerging markets;
- Foreign-currency risk;
- Exposure to more than one country.

Despite the investment in equities with a lower volatility than that of the global equity market, the price deviations may be considerable and therefore the risk associated with the fund will be high.

## 7. Global exposure

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

### Level of collateral

The level of collateral posted by a counterparty in favour of each Sub-Fund, which is required for OTC financial derivatives transactions and efficient portfolio management techniques will be taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus. At least the following level of collateral will be required by the Fund for the different types of transactions:

Type of Transaction	Level of collateral (in relation to volume of transaction concerned)
OTC financial derivatives transactions	102 %

### Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Board of Directors. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

According to the Fund's haircut policy the following discounts will be made:

Type of Collateral	Discount
Asset Class eligible for collateral	Minimum Haircut (% deducted from the market value)
Shares	15 %
Bonds, notes and Money Market Paper	From 2% to 10% depending on the maturity
Investment Fund Units	5%

## 8. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

## 9. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 1 pm CET on the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

## 10. Redemptions

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 1 pm CET on to the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is three (3) Business Days following the Redemption Day.

## 11. Share Classes

The table below list all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Administrator upon request and on <http://www.jyskesicav.lu>.

Share Class name	USD IC	USD RC	EUR RC	SEK RC	NOK RC
Reference Currency	USD	USD	EUR	SEK	NOK
Distribution (D) or Capitalisation (C)	C	C	C	C	C
Currency Hedged Share Class	No	No	N/A	No	No
Minimum initial Subscription amount	100,000 EUR*	-	-	-	-
Maximum fee for subscription or conversion to be paid to a distributor	0.00%	2.00%	2.00%	2.00%	2.00%
Maximum Redemption Fee	0.00%	0.00%	0.00%	0.00%	0.00%
Max. Swing Factor	0.85%	0.85%	0.85%	0.85%	0.85%
Management Company Fee	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)
Management Fee	0.625%	1.25%	1.25%	1.25%	1.25%
Depository fee***	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)
Administrator fee	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)
Annual Tax	0.01%	0.05%	0.05%	0.05%	0.05%
Initial list	Yes	No	Yes	No	No

\*the equivalent thereof in the Reference Currency of the Share Class.

\*\*Minimum fee applicable per Sub-Fund.

\*\*\*Different fee levels with a maximum of 0.5% p.a. may apply for cash equities and fixed income in certain countries and/or markets as further detailed in the Depository Agreement.

## **12. Distribution policy**

Subject to the provisions of the Prospectus, Distribution Share Classes will normally distribute dividends in accordance with the following distribution policies:

Distributing Share Classes will pay out a dividend annually according to Luxembourg law. The dividend is set by the Board of Directors for the approval by the general meeting.

## **13. Eligible Investors**

Share Class USD IC is reserved for Institutional Investors.

## **SUPPLEMENT 4 – JYSKE SICAV HIGH YIELD CORPORATE BONDS**

### **1. Launch date and Initial Offer**

The Sub-Fund was launched on 1 February 2017. The Initial Offer was from 26 January 2017 to 27 January 2017.

### **2. Reference Currency**

The Reference Currency of the Sub-Fund is EUR.

### **3. Investment objective**

The objective of the portfolio management is to generate a return over time which is at least in line with the market development - measured by a comparable benchmark return. The benchmark is a composite benchmark hedged to EUR consisting of

- 50% BofA Merrill Lynch European Currency High Yield, BB-B Constrained Index, and
- 50% BofA Merrill Lynch US High Yield, BB-B Constrained Index.

### **4. Investment policy and specific restrictions**

The Sub-Fund's assets are chiefly invested directly and indirectly in a portfolio of high-yield bonds issued by companies. The majority of the bonds will be rated below investment grade. The bonds involve a high credit risk. In principle, investments in currencies other than EUR will be hedged to EUR.

Provided that investments comply with the fund's investment policy, investment restrictions and other requirements applicable to the Sub Fund, the Sub-Fund may invest in regulated markets that are covered by Article 4(1)(14) of the MiFID directive, and also in other regulated markets in the EU and third countries that are members of the World Federation of Exchanges (WFE) or Federation of European Securities Exchanges (FESE) and that have been approved by the Board of Directors.

In addition, the Sub-Fund's assets may be invested in the US market for high-yield bonds, also called the OTC fixed in-come market, regulated by the FINRA (Financial Industry Regulators Authority) and in Rule 144 A issues that can be converted into instruments registered within one year with the U.S. Securities and Exchange Commission (SEC) in accordance with the Securities Act of 1933 and are traded on the OTC fixed income market. There are no requirements of the rating of such bonds, of the size of the issues or of the liquidity hereof.

No more than 10% of the Sub-Fund's assets may be invested in Transferable Securities or Money Market Instruments other than those referred to in Article 41(1) of the 2010 Law.

The Sub-Fund may invest up to 10% of its assets in other UCITS and UCIs.

The Sub-Fund will neither make use of securities financing transactions (i.e. (i) repurchase transactions, (ii) securities or commodities lending and securities or commodities borrowing, (iii) buy-sell back transactions or sell-buy back transactions, and (iv) margin lending transactions) nor of total return swaps.

All of the above investments will be made in accordance with the limits set out in section 4 of this Prospectus.

## **5. Investor profile**

The Sub-Fund targets primarily investors who invest free assets or assets dedicated to retirement build-up and who typically have a time horizon of four (4) years. The Sub-fund is not suited as the sole investment, but it is intended as a smaller allocation in a well-diversified portfolio.

## **6. Specific risks**

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.

Investors must be aware that investment in a Jyske SICAV fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

When investing in this specific Sub-Fund, investors should, however, be particularly aware of:

- Particular risks associated with bond funds;
- Particular risks associated with emerging markets;
- Exposure to more than one country;
- Liquidity risk due to the illiquidity of some bonds.

Investments in non-investment grade issues, also known as high yield bonds, are from issuers – generally corporations – that are considered to be at greater risk of not paying interest and/or returning principal at maturity. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity due to increased sensitivity to adverse issuer, political, regulatory, market or economic developments and can be difficult to resell. In addition, high yield bonds involve greater risk of default or price changes due to changes in the credit quality of the issuer.

## **7. Global exposure**

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

### **Level of collateral**

The level of collateral posted by a counterparty in favour of each Sub-Fund, which is required for OTC financial derivatives transactions and efficient portfolio management techniques will be taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus. At least the following level of collateral will be required by the Fund for the different types of transactions:

Type of Transaction	Level of collateral (in relation to volume of transaction concerned)
OTC financial derivatives transactions	102 %

### Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Board of Directors. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

According to the Fund's haircut policy the following discounts will be made:

Type of Collateral	Discount
Asset Class eligible for collateral	Minimum Haircut (% deducted from the market value)
Shares	15 %
Bonds, notes and Money Market Paper	From 2% to 10% depending on the maturity
Investment Fund Units	5%

### 8. Valuation

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

### 9. Subscriptions

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 1 pm CET on the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

### 10. Redemptions

The Cut-Off Time for redemption applications is 1 pm CET on the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is three (3) Business Days following the Redemption Day.

### 11. Share Classes

The table below list all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each

jurisdiction may be obtained from the Administrator upon request and on <http://www.jyskesicav.lu>.

Share Class name	EUR IC	EUR RC	EUR RD	SEK RC	SEK RD	NOK RC	NOK RD
Reference Currency	EUR	EUR	EUR	SEK	SEK	NOK	NOK
Distribution (D) or Capitalisation (C)	C	C	D	C	D	C	D
Currency Hedged Share Class	N/A	N/A	N/A	Yes	Yes	Yes	Yes
Minimum initial Subscription Amount	100,000 EUR	-	-	-	-	-	-
Maximum fee for subscription or conversion to be paid to a distributor	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Maximum Redemption Fee	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Max. Swing Factor	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Management Company Fee	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)	0.02% (min. 17,500 EUR*)
Management Fee	0.475%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%
Depositary fee**	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)	0.03% (min. 20,000 EUR*)
Administrator fee	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)	0.03% (min. 30,000 EUR*)



Annual Tax	0.01%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Initial list	Yes	No	Yes	No	No	No	No

\*Minimum fee applicable per Sub-Fund.

\*\*Different fee levels with a maximum of 0.5% p.a. may apply for cash equities and fixed income in certain countries and/or markets as further detailed in the Depositary Agreement.

## 12. Distribution policy

Subject to the provisions of the Prospectus, Distribution Share Classes will normally distribute dividends in accordance with the following distribution policies:

Distributing Share Classes will pay out a dividend annually according to Luxembourg law. The dividend is set by the Board of Directors for the approval by the General Meeting.

## 13. Eligible Investors

Share Class EUR IC is reserved for Institutional Investors.

## **SUPPLEMENT 5 – JYSKE SICAV INVESTMENT GRADE CORPORATE BONDS (SRI)**

### **1. Launch date and Initial Offer**

The Sub-Fund was launched on 2 October 2017. The Initial Offer was from 27 September 2017 to 28 September 2017.

### **2. Reference Currency**

The Reference Currency of the Sub-Fund is EUR.

### **3. Investment objective**

The objective of the portfolio management is to generate a return over time which is at least in line with the market development - measured by a comparable benchmark return. The benchmark is BofA Merrill Lynch Euro Corporate Index.

### **4. Investment policy and specific restrictions**

The Sub-Fund's assets are chiefly invested in a portfolio of bonds issued by companies. The Sub-Fund's assets are mainly invested in bonds denominated in EUR with an investment grade rating. The bonds involve a certain credit risk. In principle, investments in currencies other than EUR will be hedged to EUR.

The Sub-Fund is managed according to specific principles of socially responsible investments (SRI) and excludes certain companies or securities.

The Sub-Fund excludes companies

- that operate in a way that violates widely accepted international conventions and standards relating to environment, human rights and business ethics;
- with revenue from the production or distribution of weapons, alcohol, tobacco, fossil fuels, gaming or adult entertainment.

For operational reasons specific tolerance thresholds are applied in the selected business areas and reservations are made for missing identification. The definition of the exclusion criteria means that the list of excluded companies is constantly changing.

Provided that investments comply with the Sub-Fund's investment policy, investment restrictions and other requirements applicable to the Sub-Fund, the Sub-Fund may invest in regulated markets that are covered by Article 4(1)(14) of the MiFID directive, and also in other regulated markets in the EU and third countries that are members of the World Federation of Exchanges (WFE) or Federation of European Securities Exchanges (FESE) and that have been approved by the Board of Directors.

In addition, the Sub-Fund's assets may be invested in the US market for high-yield bonds, also called the OTC fixed in-come market, regulated by the FINRA (Financial Industry Regulators Authority) and in Rule 144 A issues that can be converted into instruments registered within one year with the U.S. Securities and Exchange Commission (SEC) in accordance with the Securities Act of 1933 and are traded on the OTC fixed income market. There are no requirements of the rating of such bonds, of the size of the issues or of the liquidity hereof.

No more than 10% of the Sub-Fund's assets may be invested in Transferable Securities or Money Market Instruments other than those referred to in Article 41(1) of the 2010 Law.

The Sub-Fund may invest up to 10% of its assets in other UCITS and UCIs.

The Sub-Fund will neither make use of securities financing transactions (i.e. (i) repurchase transactions, (ii) securities or commodities lending and securities or commodities borrowing, (iii) buy-sell back transactions or sell-buy back transactions, and (iv) margin lending transactions) nor of total return swaps.

All of the above investments will be made in accordance with the limits set out in section 4 of this Prospectus.

## **5. Investor profile**

The Sub-Fund targets primarily investors who invest free assets or assets dedicated to retirement build-up and who typically have a time horizon of three (3) years. The Sub-Fund is not suited as the sole investment, but it is intended as a smaller allocation in a well-diversified portfolio.

## **6. Specific risks**

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.

Investors must be aware that investment in a Jyske SICAV fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

When investing in this specific Sub-Fund, investors should, however, be particularly aware of:

- Particular risks associated with bond funds;
- Particular risks associated with emerging markets;
- Exposure to more than one country;
- Liquidity risk due to the illiquidity of some bonds.

The financial sector is the largest investment area of the Sub-Fund. The development of this sector may have a particularly large influence on investors' future returns.

## **7. Global exposure**

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

### **Level of collateral**

The level of collateral posted by a counterparty in favour of each Sub-Fund, which is required for OTC financial derivatives transactions and efficient portfolio management techniques will be taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable

counterparty risk limits set out in this Prospectus. At least the following level of collateral will be required by the Fund for the different types of transactions:

Type of Transaction	Level of collateral (in relation to volume of transaction concerned)
OTC financial derivatives transactions	102 %

**Haircut policy**

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Board of Directors. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer’s credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

According to the Fund’s haircut policy the following discounts will be made:

Type of Collateral	Discount
Asset Class eligible for collateral	Minimum Haircut (% deducted from the market value)
Shares	15 %
Bonds, notes and Money Market Paper	From 2% to 10% depending on the maturity
Investment Fund Units	5%

**8. Valuation**

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

**9. Subscriptions**

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 1 pm CET on the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

**10. Redemptions**

The Cut-Off Time for redemption applications is 1 pm CET on the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is three (3) Business Days following the Redemption Day.

## 11. Share Classes

The table below list all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Administrator upon request and on <http://www.jyskesicav.lu>.

Share Class name	EUR IC	EUR RC	EUR RD	SEK IC	SEK RC	SEK RD	NOK RC	NOK RD
Reference Currency	EUR	EUR	EUR	SEK	SEK	SEK	NOK	NOK
Distribution (D) or Capitalisation (C)	C	C	D	C	C	D	C	D
Currency Hedged Share Class	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes
Minimum initial Subscription Amount	100,000 EUR	-	-	100,000 EUR*	-	-	-	-
Maximum fee for subscription or conversion to be paid to a distributor	0.00%	1.50%	1.50%	0.00%	1.50%	1.50%	1.50%	1.50%
Maximum Redemption Fee	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Max. Swing Factor	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Management Company Fee	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)	0.02% (min. 17,500 EUR**)
Management Fee	0.3125%	0.625%	0.625%	0.3125%	0.625%	0.625%	0.625%	0.625%
Depository fee***	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)	0.03% (min. 20,000 EUR**)
Administrator fee	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)	0.03% (min. 30,000 EUR**)
Annual Tax	0.01%	0.05%	0.05%	0.01%	0.05%	0.05%	0.05%	0.05%

Initial list	No	No	No	No	Yes	No	No	No
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\*the equivalent thereof in the Reference Currency of the Share Class.

\*\*Minimum fee applicable per Sub-Fund.

\*\*\*Different fee levels with a maximum of 0.5% p.a. may apply for cash equities and fixed income in certain countries and/or markets as further detailed in the Depositary Agreement.

## 12. Distribution policy

Subject to the provisions of the Prospectus, Distribution Share Classes will normally distribute dividends in accordance with the following distribution policies:

Distributing Share Classes will pay out a dividend annually according to Luxembourg law. The dividend is set by the Board of Directors for the approval by the general meeting.

## 13. Eligible Investors

Share Classes EUR IC and SEK IC are reserved for Institutional Investors.