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

Luxembourg, le 2019-08-30

Commission de Surveillance du Secteur Financier

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KEYLUX UMBRELLA

Investment company with variable capital

PROSPECTUS

August 2019

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IMPORTANT INFORMATION

THE INFORMATION IN THIS PROSPECTUS IS BASED ON THE DIRECTORS' UNDERSTANDING OF CURRENT LAW AND PRACTICE (INCLUDING AS TO TAXATION) AT THE DATE HEREOF. BOTH LAW AND PRACTICE MAY BE SUBJECT TO CHANGE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER OR, IF YOU ARE IN THE UK, A PERSON AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 WHO SPECIALISES IN ADVISING ON THE ACQUISITION OF SHARES AND OTHER SECURITIES.

It should be remembered that the price of shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested.

Shares are available for issue on the basis of the information and representations contained in this Prospectus. Any further information given or representations made by any person with respect to any shares must be regarded as unauthorised.

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

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

The shares have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons, except in a transaction which does not violate the securities laws of the United States of America. The Articles of Incorporation permit certain restrictions on the sale and transfer of shares to restricted persons and the Board of Directors has decided that United States persons shall be restricted persons and are defined as follows:

The term "United States Person" or "US Person" shall mean a citizen or resident of the United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for purpose of computing United States income tax payable by it. If a shareholder subsequently becomes a "United States Person" and such fact comes to the attention of the Company, shares owned by that person may be compulsorily repurchased by the Company.

The distribution of this Prospectus and the offering of the shares may be restricted in certain

jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The key investor information documents of each Class of each Sub-Fund (the "Key Investor Information Documents"), the latest annual and semi-annual reports of the Company (if any), are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant Key Investor Information Document(s). The Key Investor Information Documents provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Investors may download the Key Investor Information Documents on the following website www.keyquant.com or obtain them in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

The Board of Directors draws the investors' attention to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Company, notably the right to participate in general meetings of shareholders if the investor is registered himself/herself/itself and in his/her/its own name in the Company's register of shareholders maintained by the Registrar and Transfer Agent. In cases where an investor invests in the Company through an intermediary investing into the Company in his/her/its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors should seek advice from their salesman or intermediary on their rights in the Company.

Data Protection Policy

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

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

representatives names as well as the name of the ultimate beneficial owner, where applicable, and such investor's bank account details.

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

DIRECTORY

Registered Office

5 Allée Scheffer
L-2520 Luxembourg

Board of Directors of the Company**President:**

Laurent PICHONNIER
56, rue d'Anvers
L-1130 Luxembourg

Directors:

Raphaël GELRUBIN
20, rue Quentin-Bauchart
F-75008 Paris

Aymeric LECHARTIER
41, Willow Crescent
St Albans
GB- ALI 5 DB Herthfordshire

Management Company

KEYQUANT SAS
20 rue Quentin-Bauchart
F-75008 Paris
France

Management of the Management Company*Conseil de Surveillance*

- Henri-Michel TRANCHIMAND
- Olivier NEAU
- Bertrand GIBEAU

Directoire

- Robert BAGUENAUULT de VIEVILLE
- Raphaël GELRUBIN

Depositary and Paying Agent

CACEIS Bank, Luxembourg Branch
5 Allée Scheffer
L-2520 Luxembourg

Administration, Domiciliary and Registrar and Transfer Agent

CACEIS Bank, Luxembourg Branch

5 Allée Scheffer

L-2520 Luxembourg

Auditors

PricewaterhouseCoopers, Société Coopérative

400 route d'Esch

L-1471 Luxembourg

GENERAL PART

1. STRUCTURE OF THE COMPANY

The Company is an umbrella investment company with variable capital (*société d'investissement à capital variable*) incorporated under the form of a *société anonyme* in the Grand Duchy of Luxembourg. It qualifies as an undertaking for collective investment in transferable securities ("UCITS") under Part I of the 2010 Law. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific feature as further detailed in the relevant Sub-Fund Particular. Within each Sub-Fund, different Classes the characteristics of which are further detailed in the relevant Sub-Fund Particular may be issued.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s). This means that the assets of each Sub-Fund shall be invested for the shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

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

The Company was incorporated for an unlimited period in Luxembourg on 12 March 2013. The capital of the Company shall be equal at all times to its net assets. The minimum capital of the Company shall be the minimum prescribed by the 2010 Law, which at the date of this Prospectus is the equivalent of EUR 1,250,000. This minimum must be reached within a period of 6 months following the authorisation of the Company as a UCITS under the 2010 Law.

The Company was incorporated with an initial capital of EUR 31,000, divided into 310 fully paid up shares.

The Company is registered with the *Registre de Commerce et des Sociétés, Luxembourg* (Luxembourg register of commerce and companies) under number B 176003. The Articles of Incorporation have been deposited with the *Registre de Commerce et des Sociétés, Luxembourg* and thereafter published in the RESA (formerly *Mémorial*) on 29 March 2013.

The reference currency of the Company is the EUR and all the financial statements of the Company are presented in EUR.

2. INVESTMENT OBJECTIVES AND POLICIES OF THE COMPANY

The Company seeks to provide a comprehensive range of Sub-Fund(s) with the purpose of spreading investment risk and satisfying the requirements of investors seeking to emphasise income, capital conservation and/or capital growth as detailed for each Sub-Fund in the relevant Sub-Fund Particular.

In carrying out the investment objectives of the Company, the Directors at all times seek to maintain an

appropriate level of liquidity in the assets of the relevant Sub-Fund so that redemptions of shares under normal circumstances may be made without undue delay upon request by the shareholders.

Whilst using their best endeavours to attain the investment objectives, the Directors cannot guarantee the extent to which these objectives will be achieved. The value of the shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the shares to diminish or to increase.

3. RISK MANAGEMENT PROCESS

The Management Company, on behalf of the Company will employ a risk-management process which enables it with any appointed Investment Manager (if any) to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company or any Investment Manager, on behalf of the Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Upon request of an investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

The Company may, with the objective of a good information to its investors and directors, use, as an additional reporting support, the services of external providers able to provide independent structured analyzes. The potential use of such providers cannot be analyzed as a total or partial delegation of the risk management function and the Management Company remains ultimately responsible as regards the risk management process and the support arrangements it has entered into with such service providers.

On the basis of a risk monitoring services agreement signed on 12 March 2013, the Management Company has especially appointed, Luxcellence Management Company S.A. in order to receive an additional independent quarterly executive report which shall provide an in-depth and independent analysis of the activities of the Company by risk segment.

Luxcellence Management Company S.A. which registered office is at 5, Allée Scheffer, L-2520 Luxembourg, is a management company governed by Chapter 15 of the 2010 Law, incorporated as a limited company ("*société anonyme*") under the 1915 Law, and registered under the *Registre de Commerce et des Sociétés*, Luxembourg under number B 46.546.

4. RISK CONSIDERATIONS

Investment in any Sub-Fund carries with it a degree of risk, including, but not limited to, those referred to below. Potential investors should review the Prospectus in its entirety and the relevant Key Investor Information Document and consult with their legal, tax and financial advisors prior to making a decision to invest.

There can be no assurance that the Sub-Fund(s) of the Company will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

Market risk

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

Foreign exchange risk

Because a Sub-Fund's assets and liabilities may be denominated in currencies different to the Base Currency or to the reference currency of the relevant Class, the Sub-Fund / relevant Class may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency (or reference currency of the relevant Class) and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's / Class' shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency (or the reference currency of the relevant Class) the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A Sub-Fund / Class may engage in foreign currency transactions in order to hedge against currency exchange risk however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Sub-Fund / Class from benefiting from the performance of a Sub-Fund's / Class' securities if the currency in which the securities held by the Sub-Fund / Class are denominated rises against the Base Currency (or reference currency of the relevant Class). In case of a hedged Class (denominated in a currency different from the Base Currency), this risk applies systematically.

Liquidity risk

A Sub-Fund is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption. This can affect the ability of a shareholder to redeem funds from that Sub-Fund, and can also have an impact on the value of the Sub-Fund.

The Management Company manages a robust risk management process effective on a daily basis in identifying, measuring, monitoring and controlling the liquidity risk for all assets classes including, but not limited to financial derivative instruments.

Interest rate risk

A Sub-Fund that has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Credit risk

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

Downgrading Risk

Investment Grade bonds may be subject to the risk of being downgraded to Non-Investment Grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Sub-Fund's investment value in such security may be adversely affected. The Management Company or the relevant Investment Manager may or may not dispose of the securities, subject to the investment objective of the Sub-Fund. If downgrading occurs, the non-Investment Grade debt risk outlined in the paragraph below will apply.

Non-Investment Grade Debt

Credit risk is greater for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality than for Investment Grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings. The market for these securities may be less active, making it more difficult to sell the securities. Valuation of these securities is more difficult and thus the Sub-Fund's price may be more volatile.

Volatility of financial derivative instruments

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

Futures and options

Under certain conditions, the Company may use options and futures on securities, indices and interest rates for different purposes (i.e. investment, hedging and efficient portfolio management). Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

OTC financial derivative transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a Sub-Fund entering into OTC financial derivative transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Sub-Fund will not sustain losses as a result.

From time to time, the counterparties with which the Company effects transactions might cease making

markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the Management Company or the relevant Investment Manager with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

Counterparty risk

The Company on behalf of a Sub-Fund may enter into transactions in over-the-counter markets, which will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Company on behalf of the Sub-Fund may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as swap contracts entered into by the Company on behalf of a Sub-Fund on the advice of the Investment Adviser involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

Effect of substantial withdrawals

Substantial withdrawals by shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

Political risks

The value of the Company's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

General economic conditions

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses.

All these risks are correctly identified, monitored and mitigated according to CSSF's Circulars 11/512 and 14/592.

5. SHARES

The Board of Directors may, within each Sub-Fund, decide to create different Classes of shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, hedging strategy, reference currency, distribution policy or other specific features may apply to each Class. A separate Net Asset Value per share, which may differ as a consequence of these variable factors, will be calculated for each Class. The offering details of each Sub-Fund, including the name and characteristics of the different Classes created in each Sub-Fund are disclosed in the relevant Sub-Fund Particular. The Board of Directors may at any time decide to issue further Classes of shares in each Sub-Fund, in which case the relevant Sub-Fund Particular will be amended accordingly.

Within each Class, separate currency hedged Classes may be issued. Any fees relating to the hedging strategy (including any fees of the Administration Agent relating to the execution of the hedging policy) will be borne by the relevant Class. Any gains or losses from the currency hedging shall accrue to the relevant hedged Class.

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

All shares must be fully paid-up; they are of no par value and carry no preferential or pre-emptive rights. Each share of the Company, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles of Incorporation. The Company will recognise only one holder in respect of each share. In the event of joint ownership, the Company may suspend the exercise of any voting right deriving from the relevant share(s) until one person shall have been designated to represent the joint owners *vis-à-vis* the Company.

Shares will in principle be freely transferable to investors complying with the eligibility criteria of the relevant Class and provided that shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Directors may in this connection require a shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the shares which he holds.

6. HOW TO BUY SHARES

6.1 Application

Investors buying shares for the first time should complete the Application Form. Investors are allocated a personal account number upon acceptance of their Application Form. Any subsequent purchase of shares can be made by letter or fax.

6.2 Dealing cut-off times

The dealing cut-off times are indicated in the relevant Sub-Fund Particular.

Applications received after the relevant cut-off times will normally be dealt on the next following Subscription Day.

Investors and shareholders dealing through distributors (including those offering nominee services) shall be entitled to deal until the relevant dealing cut-off times.

6.3 Acceptance

The right is reserved by the Company to reject any subscription or conversion application in whole or in part without giving the reasons thereof. If an application is rejected, the application monies or balance thereof will be returned at the risk of the applicant and without interest as soon as practicable.

6.4 Anti-money laundering and prevention of terrorist financing

Pursuant to the Luxembourg Laws of 19 February 1973 (as amended), to combat drug addiction, of 5 April 1993 (as amended), relating to the financial sector and of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing and to the relevant circulars of the Luxembourg supervisory authority, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering and terrorist financing purposes ("AML & KYC").

As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment shall in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require applicants to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither Company nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to

time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

The list of identification documents to be provided by each applicant will be based on the AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time and based on the AML & KYC guidelines of the current Registrar and Transfer Agent. These requirements may be amended following any new Luxembourg regulations.

Applicants may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the applicant to provide the documents required, the application will not be accepted.

Before redemption proceeds are released, the Registrar and Transfer Agent will require original documents or certified copies of original documents to comply with the Luxembourg regulations.

6.5 Settlement

In Cash

Subscription proceeds will in principle be paid in the reference currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particular. The Board of Directors may also accept payment in any other freely convertible currency specified by the applicant. In that case, any currency conversion cost shall be borne by the applicant.

Settlement may be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Sub-Fund / Class into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or may be obtained from a distributor.

In Kind

The Directors may, at their discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant Sub-Fund. To the extent legally or regulatory required, a special report of the Company's Luxembourg Auditors will be issued. Additional costs resulting from a subscription in kind (including the costs of the Auditors' report) will be borne exclusively by the subscriber concerned, unless the Board of Directors considers that the subscription in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

6.6 Share allocation

Shares are provisionally allotted but not allocated until cleared funds have been received by the Company or to its order. Cleared monies must be received by the Company or by a correspondent bank to its order, not later than the deadlines set forth in the relevant Sub-Fund Particular.

If settlement is not received by the Company or to its order in cleared funds by the due date the Company reserves the right to cancel the provisional allotment of shares without prejudice to the right of the Company to obtain compensation of any loss directly or indirectly resulting from the failure of an applicant to effect settlement.

6.7 Contract notes

Contract notes are faxed and/or posted to the investor on the allotment of shares. The shareholder personal account number is included in the contract note and should be quoted on all further correspondence.

6.8 Form of shares

Shares are only issued in registered form and ownership of shares will be evidenced by entry in the Register. Shareholders will receive a confirmation of their shareholding as soon as reasonably practicable after the relevant Valuation Day.

Registered shares in book form can be delivered into the Clearstream or Euroclear platforms by prior agreement.

7. HOW TO SELL SHARES

The terms and conditions applying to the redemption of the shares of the Company are detailed, for each Sub-Fund, in the relevant Sub-Fund Particular.

7.1 Request

Redemption requests should be made to the Company, either directly to the Registrar and Transfer Agent or through an appointed distributor. Redemption requests may be made by letter or fax.

They must include the names and personal account number(s) of the shareholder(s), the number of shares to be repurchased relating to each Sub-Fund and any special instructions for despatch of the redemption proceeds.

In compliance with the forward pricing principle, redemption requests received after the applicable cut-off time (as detailed, for each Sub-Fund in the relevant Sub-Fund Particular) will be deferred to the next following Redemption Day.

7.2 Settlement

In Cash

Redemption proceeds will in principle be paid in the reference currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particular. The Board of Directors may also agree to satisfy the payment of redemption proceeds in any other freely convertible currency specified by the shareholder. In that case, any currency conversion cost shall be borne by the shareholder and the payment of the redemption proceeds will be carried out at the risk of the shareholder.

In Kind

At a shareholder's request, the Company may elect to make a redemption in kind subject to a special report from the Company's Luxembourg Auditors (to the extent this report is legally or regulatory required), having due regard to the interests of all shareholders, to the industry sector of the issuer, to the country of issue, to the liquidity and to the marketability and the markets on which the investments distributed are dealt in and to the materiality of investments. Additional costs resulting from a redemption in kind will be borne exclusively by the shareholder concerned, unless the Board of Directors considers that the redemption in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

7.3 Contract notes

Contract notes are posted to shareholders as soon as practicable after the transaction has been effected.

7.4 Compulsory redemption

If a redemption/conversion instruction would reduce the value of a shareholder's residual holding in any one Sub-Fund or Class to below the minimum holding requirement as set forth (the case being) in the relevant Sub-Fund Particular, the Company may decide to compulsorily redeem the shareholder's entire holding in respect of that Sub-Fund.

The Company may also compulsorily redeem any shares acquired or held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority, as further detailed in the Articles of Incorporation.

If it appears at any time that a holder of shares of a Class or of a Sub-Fund reserved to Institutional Investors (under the meaning of Article 174 of the 2010 Law) is not an Institutional Investor, the Board of Directors will convert the relevant shares into shares of a Class or of a Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class of Shares or of a Sub-Fund with similar characteristics) or compulsorily redeem the relevant shares in accordance with the provisions set forth in the Articles of Incorporation.

7.5 Deferral of redemption

In order to ensure that shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited period, the Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company, having regard to the fair and equal treatment of shareholders, on receiving requests to redeem shares amounting to 25% or more of the net asset value of any Sub-Fund shall not be bound to redeem on any Redemption Day a number of shares representing more than 25% of the net asset value of any Sub-Fund. If the Company receives requests on any Redemption Day for redemption of a greater number of shares, it may declare that such redemptions exceeding the 25% limit may be deferred for such period as the Board of Directors considers being in the best interests of the Sub-Fund. Unless otherwise decided by the Board of Directors on the basis of exceptional circumstances, the deferral period should in principle not exceed three months. Redemption requests will be met in priority to later requests.

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

7.6 Cancellation right

Requests for redemption once made may in principle only be withdrawn in the event of a suspension or deferral of the right to redeem shares of the relevant Sub-Fund. In exceptional circumstances, the Management Company may however, in its sole discretion and taking due of the principle of equal treatment between shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for redemption.

7.7 Prevention of market timing practices

The Company does not knowingly allow investments which are associated with market timing practices as such practices may adversely affect the interests of all shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value. Market timers may also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

The Registrar and Transfer Agent may combine shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Management Company reserves the right to cause the Registrar and Transfer Agent to reject any application for conversion and/or subscription of shares

from applicants whom the former considers market timers.

In addition to the fees listed elsewhere in this Prospectus, the Board of Directors may impose a charge of up to 2 % of the Net Asset Value of the shares redeemed or exchanged where the Board of Directors reasonably believes that an investor has engaged in market timing activity or active trading that is to the disadvantage of other shareholders. The charge shall be credited to the relevant Sub-Fund.

7.8 Late trading

The Company determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per share at which Shares will be bought or sold (exclusive of any subscription or redemption commission).

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders ("**cut-off time**") on the relevant day and the execution of such order at the price based on the Net Asset Value applicable to such same day.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of the prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable Net Asset Value. As a result, subscriptions, conversions and redemptions of Shares shall be dealt with at an unknown Net Asset Value. The cut-off time for subscriptions, conversions and redemptions is set out in the Sub-Fund Particular.

8. FOREIGN EXCHANGE TRANSACTIONS

Where subscription and redemption proceeds are paid in another currency than the reference currency of the relevant Class, the necessary foreign exchange transactions will be arranged by the Registrar and Transfer Agent for the account and at the expenses of the applicant at the exchange rate prevailing on the relevant Valuation Day.

9. HOW TO CONVERT SHARES

To the extent provided for in the relevant Sub-Fund Particular, shareholders will be entitled to request the conversion of the shares they hold in one Sub-Fund into shares of another Sub-Fund or to request the conversion of the shares they hold in one Class into another Class of the same Sub-Fund by making application to the Registrar and Transfer Agent in Luxembourg or through a distributor by facsimile, confirmed in writing by no later than the cut-off time (as further specified in the relevant Sub-Fund Particular).

Such application must include the following information: the name of the holder, the number of shares to be switched (if it is not the total holding) and, if possible, the reference number on any share of each Sub-Fund to be switched and the proportion of value of those shares to be allocated to each new Sub-Fund or Class (if more than one).

Conversions will be subject to the condition that all conditions to subscribe in shares relating to the new Class are met.

Unless otherwise provided for in the relevant Sub-Fund Particular, conversions (when authorised) may be accepted on each Valuation Day which is both a Subscription Day for the new Sub-Fund / Class and a Redemption Day for the original Sub-Fund / Class (or any other day fixed by the Board of Directors on a discretionary basis) (the "Conversion Day").

It should be noted that conversion of Shares cannot be made until the Company is in receipt of the relevant share certificate (if any).

If compliance with conversion instructions would result in a residual holding in any one Sub-Fund or Class of less than the minimum holding, the Company may compulsorily redeem the residual shares at the redemption price ruling on the relevant Conversion Day and make payment of the proceeds to the shareholder.

The basis of conversion is related to the respective Net Asset Value per share of the Sub-Fund or Class concerned. The Company will determine the number of shares into which a shareholder wishes to convert his existing shares in accordance with the following formula:

$$A = \frac{(B \times C \times D) - F}{E}$$

The meanings are as follows:

- A: the number of shares to be issued in the new Sub-Fund/Class
- B: the number of shares in the original Sub-Fund/Class
- C: Net Asset Value per share to be converted
- D: currency conversion factor
- E: Net Asset Value per share to be issued
- F: Conversion charge (as detailed in the relevant Sub-Fund Particular)

The Company will provide a confirmation including the details of the conversion to the shareholder concerned.

Any conversion request shall in principle be irrevocable, except in the event of a suspension of the calculation of the Net Asset Value of the Class or of the Sub-Fund concerned or deferral. The Management Company may however, in its sole discretion and taking due of the principle of equal treatment between shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for conversion.

In compliance with the forward pricing principle, requests for conversions received after the cut-off time will be deferred to the next following Conversion Day.

The rules applicable to the deferral of redemptions will apply *mutatis mutandis* to conversion requests.

10. NET ASSET VALUE AND DEALING PRICES

10.1. Calculation of Net Asset Value

Valuation Principles

The Net Asset Value of each Class within each Sub-Fund (expressed in the currency of denomination of the Sub-Fund) is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Class and deducting the liabilities of the Company allocated to that Class.

The assets of each Class within each Sub-Fund are valued as of the Valuation Day, as defined in the relevant Sub-Fund Particular, as follows:

1. shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available net asset value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the net asset value of such shares or units since the last net asset value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors, such change;
2. the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market at the last closing price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;
3. shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors in line with such prices;
4. the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
5. the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
6. swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;

7. the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last closing price;
8. any assets or liabilities in currencies other than the relevant currency of the Sub-Fund concerned will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;
9. in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;
10. in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt to the extent such valuation principles are in the best interests of the shareholders any other appropriate valuation principles for the assets of the Company; and
11. in circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in EUR.

10.2. Temporary suspension

The Company may suspend the issue, allocation and the redemption of shares relating to any Sub-Fund as well as the right to convert shares and the calculation of the Net Asset Value per share relating to any Class:

- a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;
- b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the relevant Sub-Fund by the Company is not possible;
- c) during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Sub-Fund is suspended;
- d) during any period when the determination of the net asset value per share of the underlying fund

- of funds or the dealing of their shares/units in which a Sub-Fund is a materially invested is suspended or restricted;
- e) during any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-Fund's investments or the current prices on any market or stock exchange;
 - f) during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Sub-Fund's investments is not possible;
 - g) from the date on which the Board of Directors decides to liquidate or merge one or more Sub-Fund(s)/Class of Shares or in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class of Shares is to be proposed; or
 - h) during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the shareholders to continue dealing in shares of any Sub-Fund of the Company.

The Company may cease the issue, allocation, conversion and redemption of the shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

To the extent legally or regulatory required or decided by the Company, shareholders who have requested conversion or redemption of their shares will be promptly notified in writing of any such suspension and of the termination thereof.

10.3. Offer price

During the initial offer period specified in the relevant Sub-Fund Particular (the "Initial Offer Period"), shares will be issued at an initial price, increased, as the case may be, by a sales charge. The initial price and applicable sales charge will be disclosed in the relevant Sub-Fund Particulars. Subscription proceeds shall be paid within the timeframe disclosed in the relevant Sub-Fund Particular.

After the initial offer period, shares will be issued at a price based on the Net Asset Value determined as at the relevant Valuation Day, increased as the case may be, by a sales charge disclosed in the relevant Sub-Fund Particular. Subscription proceeds shall be paid within the timeframe disclosed in the relevant Sub-Fund Particular.

The sales charge will be payable to the Management Company, which is entitled to waive them in whole or in part.

10.4. Redemption price

Shares will be redeemed at a price based on the Net Asset Value determined at the relevant Valuation Day less any applicable redemption charge disclosed in the relevant Sub-Fund Particular. The redemption price will be payable within the timeframe disclosed in the relevant Sub-Fund Particular.

10.5. Information on prices

The Net Asset Value per share in each Sub-Fund is available at the registered office of the Company and at the Management Company's office.

11. DIVIDENDS

The Directors may issue distribution and capital-accumulation shares, as further specified in the relevant Sub-Fund Particular.

- i) Capital-accumulation shares do not pay any dividends.
- ii) The distribution policy of the distribution shares can be summarised as follows:

Dividends will be declared by the relevant shareholders at the Annual General Meeting or any other shareholder meeting. The Board of Directors may declare interim dividends in respect of certain Sub-Fund(s) or distribution shares.

Registered shareholders will be informed of the decision to pay dividends and of their payment date by way of a notice that will be sent by mail.

In the absence of any instruction to the contrary, dividends will be paid out. Holders of registered shares may however, by written request to the Registrar and Transfer Agent or by completion of the relevant section of the Application Form, elect to have dividends relating to any distribution Class of any Sub-Fund reinvested automatically in the acquisition of further shares relating to that Sub-Fund. Such shares will be purchased no later than on the next Valuation Day after the date of payment of the dividend. Shares allocated as a result of such reinvestment will not be subject to any sales charge.

12. CHARGES AND EXPENSES

12.1. Management Fee

In consideration for the management company services, including but not limited to investment management, investment advisory and distribution services provided to the Company, the Management Company is entitled to receive an aggregate management fee of a percentage per annum of the average Net Asset Value of each Class (calculated according to the iterative method), as further detailed in the relevant Sub-Fund Particular (the "Management Fee"). Unless otherwise provided for in the relevant Sub-Fund Particular, this fee will be accrued on each Valuation Day and payable monthly in arrears out of the assets of the relevant Sub-Fund.

For all Sub-Fund(s), in certain circumstances, the Management Company may instruct the Company to

pay a portion of the above fee directly out of the assets of the Company to any such service providers. In such case, the fee due to the Management Company are reduced accordingly.

12.2. Performance Fee

To the extent provided for in the relevant Sub-Fund Particular, the Management Company will also be entitled to receive a performance fee (the "Performance Fee"), the details of which will (where applicable) be disclosed in the relevant Sub-Fund Particular.

12.3. Central administration fee

In consideration of its services, the Administration Agent, Registrar and Transfer Agent and Domiciliary agent will be entitled to receive from the Company customary fees of maximum 0.07% per annum (Luxembourg tax not included). The central administration fees will be calculated by reference to the monthly average Net Asset Value of each Sub-Fund with a minimum annual fee of EUR 44,400 per Sub-Fund. They will accrue on each Valuation Day and will be payable monthly in arrears.

12.4. Depositary fees

In consideration of its services, the Depositary will be entitled to receive from the Company customary fees of maximum 0.04% per annum (Luxembourg tax not included). The depositary fees will be calculated by reference to the monthly average Net Asset Value of each Sub-Fund with a minimum annual fee of EUR 12,000 per Sub-Fund. They will accrue on each Valuation Day and will be payable monthly in arrears.

In addition, the Depositary will be entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and to receive reimbursement for the fees charged to it by any correspondent bank or other agent (including any clearing system).

12.5. Other charges and expenses

The Company pays all brokerage, clearing, taxes and governmental duties and charges payable by the Company, and fees and expenses involved in registering and maintaining the authorisation in Luxembourg and elsewhere and the Luxembourg Stock Exchange listing of the Company's shares (where applicable), the cost of publication of prices, the remuneration of the Directors, if any, and their reasonable out-of-pocket expenses, the cost of preparation, reporting and publishing (including reasonable marketing and advertising expenses) of prospectuses, KIIDs, registration statements, annual reports and semi-annual reports, and its other operating expenses such as accounting and pricing costs, litigation and other recurring or non-recurring expenses.

The Company bears the costs linked to the independent risk reporting services, and investment restrictions and policies monitoring support services, provided respectively by Luxcellence Management Company and CACEIS Bank, Luxembourg Branch as more detailed in the RISK MANAGEMENT PROCESS Section above.

The Company bears any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets.

The costs and expenses for the formation of the Company and the initial issue of its shares were borne by the first Sub-Fund of the Company (namely the "KeyLux Umbrella - Key Trends UCITS") and amortized over a period not exceeding 5 years. Any additional Sub-Fund(s) which may be created in the future shall bear their own formation expenses to be amortized over a period not exceeding 5 years.

13. MANAGEMENT COMPANY

The Directors are responsible for the overall investment policy, objectives and management of the Company, and for its Sub-Fund(s).

The Directors have appointed KEYQUANT SAS as the Management Company to be responsible on a day to day basis, under the supervision of the Directors, for providing administration, marketing, investment management and advice services in respect of all Sub-Fund(s). The Management Company has delegated the administration functions to the Administration Agent and registrar and transfer functions to the Registrar and Transfer Agent.

The Management Company was incorporated on 17 December 2009 as a *société par actions simplifiée* under the laws of France and corporate register n° 518 632 781 RCS PARIS. It has been registered with the *Autorité des Marchés Financiers* as of 24 December 2009 under number GP-09000029. It is specialised in producing superior absolute returns by adhering to quantitative methods and focusing exclusively on ultra-liquid markets.

As of date of the Prospectus, the share capital of the Management Company is EUR 200,000.

As of the date of the Prospectus, the Management Company has also been appointed to act as the management company for other investments funds, the list of which is available at the registered office of the Company.

The Management Company shall ensure compliance of the Company with the investment instructions and is responsible for the implementation of the Company's strategies and investment policy. The Management Company shall inform the Board of Directors without delay of any non-compliance of the Company with the investment restrictions.

In accordance with the 2014/91/UE Directive, the Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that does not encourage risk taking which is inconsistent with the risk profile and the Articles of Incorporation of the Company.

The Management Company's remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the Company and its investors and includes measures to avoid conflicts of interest.

The Management Company's remuneration policy and practices include fixed and variable components of salaries and discretionary pension benefits and apply to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or of the UCITS.

If and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company managed by the Management Company 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 details of the Management Company's remuneration policy are available on the following website <http://www.keyquant.com>: Legal Information – Remuneration Policy (FR). A paper copy of the remuneration policy will be made available free of charge to the investors of the Company upon request to the Management Company.

14. INVESTMENT MANAGER / ADVISER

The Management Company may, at its own costs, delegate all or part of its management duties to one or more investment managers (each an "Investment Manager") whose identity will be disclosed in the relevant Sub-Fund Particular.

The Management Company may also, at its own costs, appoint one or more investment advisers (each an "Investment Adviser") to advise it on the management of one or more Sub-Fund(s).

15. DEPOSITARY AND PAYING AGENT

CACEIS Bank, Luxembourg Branch, established at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310 is acting as depositary of the Company (the "Depositary") in accordance with a depositary agreement dated 6 October 2016 as amended from time to time (the "Depositary Agreement") and the relevant provisions of the Law and UCITS Rules.

CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris.

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

Investors may consult upon request at the registered office of the Company, the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Compartments' assets, and it shall fulfil the obligations and duties

provided for by Part I of the Law. In particular, the Depositary shall ensure an effective and proper monitoring of the Company' cash flows.

In due compliance with the UCITS Rules the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of units of the Company are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;
- (ii) ensure that the value of the Units is calculated in accordance with the UCITS Rules, the Articles and the procedures laid down in the Directive;
- (iii) carry out the instructions of the Company, unless they conflict with the UCITS Rules, or the Articles;
- (iv) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- (v) ensure that an Company's income is applied in accordance with the UCITS Rules and the Articles.

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

In compliance with the provisions of the Directive, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to Correspondents or Third Party Custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law.

A list of these correspondents/third party custodians are available on the website of the Depositary (www.caceis.com, section "veille règlementaire"). Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Company, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Company's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

- (a) identifying and analysing potential situations of conflicts of interest;
- (b) recording, managing and monitoring the conflict of interest situations either in:
 - relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or

- implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Company, notably, administrative agency and registrar agency services.

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

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

16. ADMINISTRATION

16.1. Administration Agent

CACEIS Bank, Luxembourg Branch has also been appointed to act, as Administration Agent for the Company pursuant to an agreement with the Management Company which may be terminated by either party in writing, giving not less than three months' prior notice to the other party. In such capacity the Administration Agent provides the Company with certain administrative and clerical services.

16.2. Registrar and Transfer Agent

CACEIS Bank, Luxembourg Branch has been appointed as Registrar and Transfer Agent of the Company pursuant to an agreement with the Management Company, which may be terminated by a written prior notice given three months in advance by either party to the other.

16.3. Domiciliary Agent

CACEIS Bank, Luxembourg Branch has been appointed by the Company as Domiciliary Agent.

17. CONFLICTS OF INTEREST

The Management Company, the Investment Manager, the sales agents, the Administration Agent, the Registrar and Transfer Agent and the Depositary may from time to time act as management company,

investment manager or adviser, sales agent, administrator, registrar and transfer agent or depositary in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Company or any Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Company or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any Sub-Fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

There is no prohibition on the Company entering into any transactions with the Management Company, the Investment Manager, the sales agents, the Administration Agent, the Registrar and Transfer Agent or the Depositary or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. The Investment Manager or any affiliates acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell shares of the Company.

18. DISTRIBUTION OF SHARES

The Management Company, may at its own cost, delegate all or part of its distribution functions to one or more distributors.

19. MEETINGS AND REPORTS

The annual general meeting of shareholders of the Company (the "Annual General Meeting") is held at the registered office of the Company or such other place as may be specified in the notice of meeting in Luxembourg at 11:00 a.m. (Luxembourg time) on the last Tuesday in April each year (or, if such day is not a Business Day, on the next following Business Day in Luxembourg). The first Annual General Meeting was held in April 2014.

If permitted by and under the conditions set forth in Luxembourg laws and regulations, the Annual General Meeting may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board of Directors.

Other general meetings of shareholders will be held at such time and place as are indicated in the notices of such meetings.

Notices of general meetings are given in accordance with Luxembourg Law. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of Incorporation.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to shares issued and outstanding at a certain date and time preceding the general

meeting (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his/its/her shares shall be determined by reference to the shares held by this shareholder as at the Record Date.

Financial periods of the Company end on 31 December in each year (and for the first time in 2013). The annual report containing the audited consolidated financial accounts of the Company expressed in EUR in respect of the preceding financial period and with details of each Sub-Fund in the relevant Base Currency is made available at the Company's registered office, at least 15 days before the Annual General Meeting.

Copies of all reports are available at the registered offices of the Company and/or of the Management Company.

20. TAXATION

20.1. Taxation of the Company

The following summaries are based on the Company's understanding of the law and practice in force in Luxembourg at the date of this prospectus. As shareholders will be resident for tax purposes in various jurisdictions, no attempt has been made in this Prospectus to summarise the tax consequences for every jurisdiction which may be applicable to investors subscribing for, purchasing, holding, exchanging, selling or redeeming shares. These consequences will vary in accordance with the law and practice in force in the relevant shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances. Hence no shareholder should solely rely on the following guidance when determining the tax consequences of investing in the Company's shares.

It is the responsibility of shareholders or prospective shareholders to inform themselves of the possible tax consequences of subscribing for, purchasing, holding, exchanging, selling or redeeming shares in the light of the laws of the country relevant to their citizenship, residence or domicile and of their personal circumstances and to take appropriate professional advice regarding exchange control or other legal restrictions relating thereto. Shareholders and prospective investors also should bear in mind that levels and bases of taxation, as well as tax authority practices, may change and that such changes may have, depending on the countries, retrospective effect.

Luxembourg

The Company is not liable to any Luxembourg tax on profits or income, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

The Company is, however, liable in Luxembourg to a subscription tax of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the net assets of the Company at the end of the relevant calendar quarter. This tax rate is reduced to 0.01% per annum for Classes of shares reserved to institutional investors within the meaning of Article 174 of the 2010 Law. In addition, the value of the Sub-Fund(s)' assets represented by units held in other Luxembourg undertaking for collective investment shall be exempt from this tax, provided such units have already been subject to

this subscription tax.

No stamp duty or other tax is payable in Luxembourg on the issue of shares.

No Luxembourg tax is payable on the realised or unrealised capital appreciation of the assets of the Company.

20.2. Taxation of shareholders

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, selling or converting shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of a shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Prospective investors also should bear in mind that levels and bases of taxation may change.

European Union ("EU") Tax Considerations for individual residents in the EU or in certain third countries or dependant or associated territories

The Council of the European Union on 3 June 2003 adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ("Savings Directive").

Under the Savings Directive, Member States of the EU are required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income paid by a paying agent (as defined by the Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the dependant or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the transitional period, withholding tax.

The Savings Directive has been implemented in Luxembourg by a Law dated 21 June 2005 (the "2005 Law").

Dividends, distributed by a Sub-Fund of the Company will be subject to the Savings Directive and the Law if more than 15% of the relevant Sub-Fund's assets are invested in debt claims (as defined in the Law) and proceeds realised by shareholders on the redemption or sale of shares in a Sub-Fund will be subject to the Savings Directive and the 2005 Law if more than 25% of such Sub-Fund's assets are invested in debt claims (such Sub-Fund(s), hereafter "Affected Sub-Fund(s)").

Consequently, if in relation to an Affected Sub-Fund a Luxembourg paying agent makes a payment of dividends or redemption proceeds directly to a shareholder who is an individual resident or deemed resident for tax purposes in another EU Member State or certain of the above mentioned dependant or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated above.

No withholding tax will be withheld by the Luxembourg paying agent if the relevant individual either (i) has expressly authorized the paying agent to report information to the tax authorities in accordance with the provisions of the Law or (ii) has provided the paying agent with a certificate drawn up in the format required by the Law by the competent authorities of this State of residence for tax purposes.

The applicable withholding tax is at a rate of 35%.

According to the law of 25 November 2014, which entered into force on 1 January 2015, Luxembourg replaced the withholding tax mechanism by an automatic exchange of information regarding the payment of interest or similar income.

The EU Savings Directive has been repealed on November 10, 2015 by Directive 2015/2060/EU but will continue to apply until all reporting obligations under EU Savings Directive have been complied with.

The Company reserves the right to reject any application for shares if the information provided by any prospective investor does not meet the standards required by the Law as a result of this Savings Directive.

The foregoing is a summary of the implications of the Savings Directive and the Law, is based on the current interpretation thereof and this section does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the Savings Directive and the 2005 Law.

Luxembourg

Subject to the provisions of the Savings Directive and the Law, non-resident shareholders are not subject to any income, withholding, estate, inheritance or other taxes in Luxembourg.

If necessary, investors should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring or selling the Company's shares under the laws of their countries of citizenship, residence or domicile.

20.3. FATCA

General Rules and Legal background

The coming into force of the U.S. Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (“**FATCA**”) aims to reinforce the fight against U.S. tax avoidance by the Tax “U.S. Persons” holding accounts in foreign countries.

Pursuant to FATCA, any non-U.S. financial institution (foreign financial institution or “**FFI**”), e.g. banks, management companies, investment funds etc., either has certain reporting obligations with respect to certain incomes of Tax U.S. Persons or is required to withhold tax at the rate of 30 per cent on (i) certain U.S. source income (including, among other types of income, dividends and interests), (ii) gross proceeds from the sale or disposition of U.S. assets of a type that produce dividends and interest, (iii) foreign passthru payments made to certain FFIs, that do not comply with FATCA and to any

investor (unless otherwise exempt from FATCA) that does not provide identification information with respect interests used by a participating FFI.

The FATCA Rules includes rules on an automatic exchange of information between U.S. and Luxembourg tax authorities and eliminates, under certain circumstances, the withholding obligation for the Luxembourg] FFIs which are deemed to be FATCA compliant.

The Company has decided to respect the obligations set forth by the FATCA Rules for reporting FFI and, as such, was registered with the IRS as a reporting FFI

Therefore, by investing (or continuing to invest) in the Company, investors shall be deemed to acknowledge that:

(i) the Management Company, as a French management company, and the Company both have the FATCA compliant status of “Reporting FFIs” under the laws and regulations implementing FATCA in their respective countries.;

(ii) in order to comply with applicable tax provisions, the Company’s FATCA status requires additional/ identification information from its investors with regard to their own current status under FATCA. Any Investor should self-certify its FATCA status to the Company, its delegates or the distributor and would do so in the forms prescribed by the FATCA Rules (in particular through the W8, W9 or equivalent filling forms) to be renewed regularly or provide the Company with its GIIN number if the investor is a FFI. The investors will inform the Company, its delegates or the distributor of a change of circumstances in their FATCA status immediately in writing;

(iii) as part of its reporting obligations, Management Company and/ or the Company or their delegates may be required to disclose certain confidential information (including, but not limited to, the investor’s name, address, tax identification number, if any, and certain information relating to the investor’s investment in the Company, self-certification, GIIN number or other documentation) that they have received from (or concerning) their investors and automatically exchange information as outlined above with the Luxembourg taxing authorities or other authorized authorities as necessary to comply with FATCA Rules or other applicable law or regulation. The investors are also informed that the Company will respect the aggregation rule as prescribed by the FATCA Rules;

(iv) those investors that either have not properly documented their FATCA status as requested or have refused to disclose such a FATCA status within tax legally prescribed timeframe may be classified as “recalcitrant” and be subject to a reporting by the Management Company and/ or the Company towards tax or governmental authorities above; and

(v) in order to avoid the potential future issue that could arise from the “Foreign Passthru payment” mechanism that could apply as from 2017, January 1st and prevent any withholding tax on such payments, the Company, the Management Company the Board of Directors of the Company or its delegates reserves the right to prohibit for sale the Shares, as from this date, to any Non-Participating FFI (“NPFFI”), particularly whenever it is considered legitimate and justified by the protection of the general interests of the investors in the Company. Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Company will be able to satisfy these obligations, nor that a FFI not complying with FATCA could indirectly affect the Company, even if the Company satisfies its FATCA obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the return of all investors may be materially affected. Moreover, the Company may reduce the amount payable on any distribution or redemption to

an investor that fails to provide the Company with the requested information or is not compliant with FATCA.

20.4. Automatic Exchange of Information (EAI) / Directive on Administrative Cooperation in the field of taxation (DAC)

In February 2014, the OECD released the main elements of a global standard for automatic exchange of financial account information in tax matters, namely a Model Competent Authority Agreement and a Common Reporting Standard (CRS). In July 2014, the OECD Council released the full global standard, including its remaining elements, namely the Commentaries on the Model Competent Authority Agreement and Common Reporting Standard and the Information Technology Modalities for implementing the global standard. The entire global standard package was endorsed by G20 Finance Ministers and Central Bank Governors in September 2014. The CRS initiates for participating jurisdiction a commitment to implement the latter regulation by 2017 or 2018 and ensuring the effective automatic exchange of information with their respective relevant exchange partners.

With respect to the European Union – and thus Luxembourg – the scope of information to be reported already envisaged in Article 8(5) of Directive 2011/16/UE DAC has been extended as to encompass the recommendations contained in the AEI. As such, all members of the European Union will effectively exchange information as of September 2017 with respect to calendar year 2016 (except Austria that will start reporting in 2018 regarding calendar year 2017).

The AEI has been fully implemented in Luxembourg by a law published on December 24, 2015 in the Luxembourg Gazette. The AEOI Law has officially entered into force on January 1st, 2016 in Luxembourg.

The application of one or the other of these regulations will compel financial institutions to determine shareholders' residence(s) for tax purposes and to report to their local competent authority all accounts held by reportable shareholders (i.e. shareholders residing for tax purposes in a reportable jurisdiction). The information to be reported encompasses the name, the address, the Tax Identification Number (TIN) the account balance or value at the end of the relevant calendar year. As to determine shareholders' residence for tax purposes, financial institutions will review the information contained in its customer's files. Unless, the shareholder produces a valid self-certification indicating the latter's residence for tax purposes, the financial institution will report the account as being maintained by a shareholder residing in all jurisdictions for which indicia has been found.

20.5. Prospective investors

Prospective investors should inform themselves of, and whether appropriate take advice on the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls) applicable to the subscription; purchase, holding conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation (in particular with regard to the EU Savings Directive) and the current tax status of the Company in Luxembourg.

20.6. Applicable law

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

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

21. LIQUIDATION OF THE COMPANY / TERMINATION AND AMALGAMATION OF SUB-FUNDS

21.1. Liquidation of the Company

With the consent of the shareholders expressed in the manner provided for by articles 67-1 and 142 of the 1915 Law, the Company may be liquidated. Upon a decision taken by the shareholders of the Company or by the liquidator duly authorised and subject to a one month's prior notice to the shareholders, all assets and liabilities of the Company may be transferred to another UCI having substantially the same characteristics as the Company in exchange for the issue to shareholders in the Company of shares of such corporation or fund proportionate to their shareholdings in the Company.

If at any time the value at their respective Net Asset Values of all outstanding shares falls below two thirds of the minimum capital for the time being prescribed by Luxembourg Law, the Board of Directors must submit the question of dissolution of the Company to a general meeting of shareholders acting, without minimum quorum requirements, by a simple majority decision of the shares represented at the meeting.

If at any time the value at their respective Net Asset Values of all outstanding shares is less than one quarter of the minimum capital for the time being required by Luxembourg Law, the Directors must submit the question of dissolution of the Company to a general meeting, acting without minimum quorum requirements and a decision to dissolve the Company may be taken by the shareholders owning one quarter of the shares represented at the meeting.

Any voluntary liquidation will be carried out in accordance with the provisions of the 2010 Law and the 1915 Law which specify the steps to be taken to enable shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the *Caisse de Consignation* of any such amounts to the close of liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg laws.

21.2. Liquidation, merger, split or consolidation of Sub-Fund(s)/Classes

The Directors may decide to liquidate one Sub-Fund if the net assets of such Sub-Fund fall below EUR 1,000,000 or its equivalent or one Sub-Fund/Class of shares if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if the interests of the shareholders would justify it. The decision of the liquidation will be published or notified to the shareholders by the Company as decided from time to time by the Directors, prior to the effective date of the liquidation and the publication/notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep

equal treatment between the shareholders, the shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their shares. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund or Class concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Where the Board of Directors does not have the authority to do so or where the Board of Directors determines that the decision should be put for shareholders' approval, the decision to liquidate a Sub-Fund or Class may be taken at a meeting of shareholders of the Sub-Fund or Class to be liquidated instead of being taken by the Board of Directors. At such Class/Sub-Fund meeting, no quorum shall be required and the decision to liquidate must be approved by shareholders with a simple majority of the votes cast. The decision of the meeting will be notified to the shareholders and/or published by the Company.

Any merger or split of a Sub-Fund shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger/split to a meeting of shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more Sub-Fund(s) where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition the provisions on mergers of UCITS set forth in the 2010 Law and any implementing regulation (relating in particular to the notification to the shareholders concerned) shall apply.

22. DOCUMENTS AVAILABLE FOR INSPECTION, QUERIES AND COMPLAINS

22.1. Documents available for inspection

The following documents are available for inspection during usual business hours on any Business Day at the registered office of the Company.

- i) The Articles of Incorporation;
- ii) The most recent Prospectus;
- iii) The Key Investors Information Documents;
- iv) The latest annual and semi-annual reports; and
- v) The material contracts.

In addition, copies of the Articles of Incorporation, the most recent Prospectus, the Key Investor Information Documents and the latest financial reports may be obtained free of charge, on request at the registered office of the Company.

In addition, the Key Investor Information Documents will be available on www.keyquant.com. When issued, Investors may download the Key Investor Information Document(s) from the above website or obtain it in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the Company.

22.2. Queries and complaints

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Company or the Management Company.

SUB-FUND PARTICULARS

I. KEYLUX UMBRELLA - KEY TRENDS UCITS –**1. Name of the Sub-Fund**

KeyLux Umbrella - Key Trends UCITS (the "**Sub-Fund**")

2. Base Currency

EUR

3. Investment objective, policy and strategy

Approximately 80% of the Sub-Fund's assets will be invested in cash, government debt securities, money market instruments, money market and bond UCITS, similar short term securities and instruments of first class credit rating issuers.

Approximately 20% of the Sub-Fund's assets will be invested in a broad spectrum of futures quoted on the most liquid regulated markets. These markets are predominately US markets although the Sub-Fund may also invest in non US markets. The futures will be on stocks indices, bonds and currencies. The Management Company may as well use currency forward contracts, futures or other financial derivative instruments to hedge currency risk of a Class of Shares issued in a currency different from the Base Currency of the Sub-Fund.

While approximately 20% of the Sub-Fund's assets will be invested in futures, the leverage effect generated by such investments is to be much more important. Investors' attention is drawn to the relating information outlined in the section headed "5. Global Exposure" below.

The Sub-Fund will not be invested in ABS/MBS.

The Sub-Fund is not authorised to enter into any securities financing transaction as defined in the SFTR or total return swaps or other financial derivative instruments with similar characteristics. Should the Sub-Fund decide to enter into this type of operations in the future, the prospectus would be updated in accordance with the relevant regulations and CSSF Circulars in force.

The investment objective of the Sub-Fund is to outperform the performance of traditional systematic trend following strategies.

This objective will be achieved by the use of a medium to long term trend following trading program allowing the Sub-Fund to invest in financial derivative instruments such as futures in any of the abovementioned markets taking both long and short positions. This may as well result from time to time in the Sub-Fund taking no positions in such markets. Long and short positions are likely to be leveraged. The Sub-Fund may at any time be net long, short or neutral in any given market.

Based on an innovative probabilistic model the Management Company, on behalf of the Sub-Fund,

strives to detect establishing trends quickly, to characterize high potential established trends, as well as detecting trend reversals sooner, thus elevating profit potential versus its peers. Moreover, thanks to a proprietary "Global Economic Factor" indicator, the model that the Management Company has determined to assess the strength of global economic trends in order to optimize the Sub-Fund's portfolio exposure to these trends.

Investment Strategy:

The Management Company has developed futures trading systems on regulated United States and non-United States exchanges and markets designed to pursue capital growth within the limits of the investment restrictions applicable to the Sub-Fund (the "Program").

The Program is entirely based on quantitative, well-thought and tested robust analysis conducted by the Management Company on historical prices.

The portfolio construction process takes place in three stages:

- Initial portfolio set up

The initial portfolio set up is using multiple tools, each with varying time-scales.

Market-by-market analysis

The model looks for medium to long term trends on markets respectively defined on average as trends approximating three months to twelve months. To characterize a trend, the model uses a time-based tool and a non-time-based tool. All inputs are price based.

Linear trend tool

The linear trend tool characterizes a trend by drawing multiple lines through a market price chart. Over the medium term to long term, the systems analyses multiple look-backs. Within the medium term version, markets are analyzed over a 12-month average look-back. For each time horizon, the model selects the most representative look-back based on the best fit and a number of other proprietary factors. From this step, the model calculates the return and risk characteristics of the perceived trend.

The time-based tool allows the model to characterize a trend established over time.

Non-linear trend tool

The non-linear trend tool allows the model to study trends without the notion of a time bias. Such an approach is based on the analysis of price caps and price floors which are used to gauge the movement of a trending market. The analysis of long biases and short biases, the recent trend direction, and various levels of caps and floors allow the model to characterize a medium to long-term trend established on price moves.

- Diversification contribution

Once the initial portfolio is set up, the contributive volatility of each market position is calculated based on a correlation matrix. To ensure that the portfolio remains well diversified, positions on markets are adapted according to their contributive risk to the portfolio: Market positions with a high level of correlation to the portfolio are reduced; and market positions with a low level of correlations are increased.

- Global Economic Factor

The Global Economic Factor is a proprietary indicator based on the global quality of trends over all the markets traded within the portfolio. If this factor is high, the model considers that the current economic outlook is clear, which normally ensures a better stability of trends over time and would lead to an increase of the global exposure. The contrary also holds true as a weak Global Economic Factor is considered as indicating an uncertain economic picture would lead to the decrease of the global exposure.

Once the three stages are completed, the portfolio construction is finalized.

The Program is systematic by nature, generates purchase and sales orders and is updated constantly to reflect prevailing market conditions. Subjective trading by the Management Company is in normal market situation excluded, however in the event of exceptional market circumstances or in the case of a "force majeure", the Management Company may intervene the automated order entry system of the Program in an attempt to limit the risks in relation to certain positions of the Sub-Fund. Such use of discretionary management may have a positive or negative impact on performance of the Sub-Fund.

The guiding principle is strategic diversification in pursuit of a maximum attainable risk spreading, taking correlation analysis and degrees of profit expectations into account. The Program utilises past information (both of a favourable and unfavourable nature) in selecting the appropriate positions for the Sub-Fund to maintain.

Specific risk provisions are calculated by the Program for each market exposure in addition to regulatory risk limits. Risk assessment is to be determined on the basis of a regular evaluation of daily price behaviour leading to regular adjustments during the life time of exposures.

The applied market approach does not forecast markets or price levels but participates in a systematic and dynamic way in signalled price patterns. The Program exploits directional price movement in one or more time frames.

The Program is designed to be as diversified as possible within the limits of assets under management and in the context of the selected portfolio composition based on reasonable minimum transaction sizes in the execution process. The degree of diversification in terms of markets and strategies involved may increase as the assets size grows.

Any potential Investor should carefully read the description of investment risks under Chapter 4 "Risk Consideration" in the Prospectus in relation to the Sub-Fund investing in futures following additional risk considerations should be taken into account.

Specific Risks:

Lack of Hedging Possibilities

Transactions which should reduce or exclude the risk arising from futures transactions (settlement/liquidation transactions) may not be executable or only executable at a price incurring losses.

Leverage

A futures position can be created by way of paying a deposit ('margin'). Because that is typically only a small part of the total value of the futures contract, it is possible to participate through this 'leverage effect' in the price changes of the underlying assets. Thus a small price movement in the underlying asset can result in big profits or substantial losses relative to the invested capital.

Volatility of the Futures Markets

Futures prices have always been subject to periods of high volatility in the past and such periods may recur. Price movements of contracts are caused by many unpredictable factors.

Possible Lack of Liquidity

In certain market situations, significant liquidity bottlenecks in the futures markets could prevent the Sub-Fund from promptly liquidating unfavourable positions.

Trading on Non-US Exchanges and the Foreign Exchange Interbank Market

Some exchanges and OTC markets, in contrast to US exchanges, are 'principal markets' in which the fulfilment risk is borne solely by the individual member with whom the trader has entered into a futures contract, and not by an exchange or clearing house.

Default risk

The default risk between counterparties represents the central element of the OTC derivatives in particular of credit derivatives. The default risk is the probability that the repayment of the remaining or the total amount of a liability cannot fully or partially be fulfilled.

Depending on whether the cause of default lies with the creditworthiness of the counterparty or whose country of origin, a distinction is made between the credit risk or the country risk. Credit risks are mostly ascribed to a misinterpretation of current or future ability or willingness of the borrower to pay.

In the case of country risks contractual payments are not adduced in the stipulated terms not to the fault of the counterparty, but due to politically or economically caused transfer problems of the respective country. Country risks describe the hazard that foreign liabilities of a country cannot be settled because of political decision-making processes or a lack of social order as well as the danger that foreign exchange proceeds or possibilities to borrow funds are not sufficient.

Reliance on the Clearing Broker's creditworthiness

If a clearing broker became insolvent, the Sub-Fund might lose some of the funds it had deposited with the clearing broker.

The Program

The Program developed by the Management Company has been developed using historical data and has been tested for efficiency in computer simulations as well as in actual trading. The past performance is not indicative of future results. Therefore, there can be no guaranteed profits of whatever nature.

Risks as to and financial futures contracts

Futures are also adherent to extensive risks futures position can be created by way of paying a deposit ('margin'). Because that is typically only a small part of the total value of the futures contract, it is

possible to participate through this 'leverage effect' in the price changes of the underlying assets. Thus a small price movement in the underlying asset can result in big profits or substantial losses relative to the invested capital. Through this the volatility and the risk of a Sub-Fund can be increased.

IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.

4. Profile of the typical investor

The risks associated with an investment in the Sub-Fund are high and no capital preservation strategies will be implemented. It is therefore recommended to not invest a substantial part of one's patrimony in the Sub-Fund.

The Sub-Fund is intended for institutional investors only and is not appropriate for investors with less than 3 years investment horizon.

5. Global Exposure

The global exposure relating to this Sub-Fund will be calculated on a daily basis using an absolute Value-at-Risk approach (with a maximum limit of 20%).

The average leverage of the Sub-Fund (a detail of which is specified hereunder by kind of instruments), under normal market conditions, calculated by adding together all the notionals, is expected to be 1100%, although higher levels are possible up to 3000% mainly due to short term and medium term interest rates exposure in the context of low volatility relative to historic volatilities usually observed.

However, leverage may not constitute a relevant indicator of the portfolio risk.

Therefore, any leverage increase would not change the Sub-Fund's risk profile, the risk level as expressed by the volatility and the parametric VaR remaining unchanged.

The various sources of leverage, and their participation in the average leverage of the Sub-Fund (such participation being subject to fluctuation) are the following:

- Futures on currencies: 70%;
- Futures on equity indices: 45%;
- Futures on long term interest rates (more than 10 years): 70%;
- Futures on medium term interest rates (from 2 to 5 years): 155%;
- Futures on short term interest rates: 760% (up to three months).

6. Classes of shares available for subscription

Class of Shares	A-EUR	I-EUR	A-USD	I-USD	T-EUR*	T-USD*
Target investor	Institutional investors	Institutional investors	Institutional investors	Institutional investors	Institutional investors	Institutional investors
Reference	EUR	EUR	USD	USD	EUR	USD

currency						
Hedging Strategy	N/A	N/A	Against EUR	Against EUR	N/A	Against EUR
Minimum initial investment and minimum holding	EUR 10,000	EUR 2,000,000	USD 10,000	USD 2,000,000	EUR 100,000	USD 100,000
Minimum subsequent investment	EUR 10,000	EUR 10,000	USD 10,000	USD 10,000	EUR 10,000	USD 10,000
Distribution policy	Accumulating shares	Accumulating shares	Accumulating shares	Accumulating shares	Accumulating shares	Accumulating shares

* Accessible as long as the Company' net assets are less than EUR 150,000,000.

7. Fees and expenses

Class of Shares	A-EUR	I-EUR	A-USD	I-USD	T-EUR	T-USD
Management Fee	2%	1,25%	2%	1,25%	0,5%	0,5%
Sales charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%
Redemption charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%
Conversion charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%
Performance Fee	20%	20%	20%	20%	5%	5%

Sales, Redemption and Conversion charges detailed in the table above shall be calculated as a percentage of the applicable Net Asset Value per share.

Management Fee detailed in the table above shall be calculated (according to the iterative method) as a percentage of the average Net Asset Value of the relevant Class of Shares.

Performance Fee

The Performance Fee is based on the appreciation of the Gross Net Asset Value per share (being the Net Asset Value per share before the accrual of Performance Fees) of a Sub-Fund or Class in excess of the Peak Net Asset Value per share (as defined below), unless otherwise provided in the Sub-Fund Particulars. It is payable annually at the rate specified above.

The Peak Net Asset Value per share is the greater of (i) the price at which shares are issued at the close of the Initial Offering Period, and, if applicable, (ii) the Net Asset Value per share in effect immediately after the most recent Performance Fee Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined in the following sub-section) was charged. If the Performance Fee Period includes multiple Valuation Days, the Performance Fee will accrue in line with the cumulative appreciation per share during the Performance Fee Period. If losses occur after a Performance Fee has been paid (become payable), the Management Company will retain (the right to receive) the Performance Fee previously paid (payable), but will not receive any further Performance Fee until such losses have been recovered and new appreciation in the Gross Net Asset Value per share has been achieved in excess of the Peak Net Asset Value per share.

Equalisation mechanism

Subject to what is provided for in the Sub-Fund Particular, equalisation may be applied. With equalisation, the Performance Fee is effectively calculated on a share-by-share basis so that each share is charged Performance Fee that equates with that share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Management Company is charged only to those shares that have appreciated in value, (ii) all shareholders within a Class have the same amount per share at risk, and (iii) all shares of a Class have the same Net Asset Value per share.

The equalisation method adopted is usually referred to as the "Equalisation Share Adjustment Approach" according to which investors subscribe against the Gross Net Asset Value per share and redeem against the Net Asset Value per share. If an investor subscribes for shares of a Class at a time when the Net Asset Value per share of that Class is other than the Peak Net Asset Value per share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber, the existing or exiting shareholders or to the Management Company. This can be explained as follows.

- (A) If shares are subscribed for at a time when the Net Asset Value per share is less than the Peak Net Asset Value per share of the relevant Class (such Net Asset Value per share at which such shares are subscribed for being the initial "Base Net Asset Value per share" for such shares), the investor shall be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those shares.

At the end of each Performance Fee Period the Base Net Asset Value per share will be updated to the greater of (i) the existing Base Net Asset Value per share, and (ii) the minimum of (x) the then current Net Asset Value per share, and (y) the Peak Net Asset Value per share. The Base Net Asset Value per share will be updated and taken into account until the Net Asset Value per share as at the end of a Performance Fee Period has reached the Peak Net Asset Value per share.

With respect to any appreciation in the value of those shares from the Base Net Asset Value per share up to the Peak Net Asset Value per share, an "Equalisation Deficit" will be taken into account.

The Equalisation Deficit is calculated as the relevant Performance Fee percentage of any such appreciation, and will crystallise at the end of each Performance Fee Period by redeeming at the then current Net Asset Value per share such number of the shareholder's shares of the relevant Class as have an aggregate value equal to the relevant Performance Fee percentage of the difference between (i) the minimum of (x) the then current Net Asset Value per share, and (y) the Peak Net Asset Value per share, and (ii) the Base Net Asset Value per share of the relevant subscription, multiplied by the number of the shareholder's shares of that Class which are subject to the Equalisation Deficit (such redemption, a "Performance Fee Redemption"). The shareholder's shares of that Class will continue to be so redeemed at the end of each Performance Fee Period until the Base Net Asset Value per share of the relevant subscription reaches the Peak Net Asset Value per share. The aggregate Net Asset Value of the shares so redeemed will be paid to the Management Company as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Company maintains a uniform Net Asset Value per share of each Class. As regards the Shareholder's remaining shares of that Class, any appreciation in the Gross Net Asset Value per share of those shares above the Peak Net Asset Value per share of that Class will be charged a Performance Fee in the normal manner.

If a Shareholder redeems his shares at a time when the Base Net Asset Value per share of such shares is under the Peak Net Asset Value per share, the shareholder will be charged, with respect to his shares subject to an Equalisation Deficit, an amount equal to the relevant Performance Fee percentage of the difference between (i) the minimum of (x) the then current Net Asset Value per share, and (y) the Peak Net Asset Value per share, and (ii) the Base Net Asset Value per share of the relevant subscription, multiplied by the number of shares so redeemed.

- (B) If shares are subscribed for at a time when the Net Asset Value per share is greater than the Peak Net Asset Value per share of the relevant Class, the investor shall be required to pay an amount in excess of the then current Net Asset Value per share of that Class equal to the relevant Performance Fee percentage of the difference between the then current Gross Net Asset Value per share of that Class and the Peak Net Asset Value per share of that Class (such excess amount, an "Equalisation Credit"). At the date of subscription the Equalisation Credit will equal the Performance Fee per share accrued with respect to the outstanding shares of the same Class (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing shareholders and serves as a credit against Performance Fee that might otherwise be payable by the Class, but that should not, in equity, be charged against the shareholder making the subscription because, as to such shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of shares of the same Class have the same amount of capital at risk per share.

The additional amount per share invested as the Equalisation Credit will be at risk in the Company and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant shares, but will never exceed the Maximum Equalisation Credit and will never become negative. In the event of a decline as at any Valuation Day in the Net Asset Value per share of the shares, the Equalisation Credit will also be reduced by an amount equal to the relevant Performance Fee percentage of the difference between the Gross Net Asset Value per share at the date of issue and as at that Valuation Day. Any

subsequent appreciation in the Net Asset Value per share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit, but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Performance Fee Period, if the Gross Net Asset Value per Share exceeds the Peak Net Asset Value per share of the relevant Class, the Equalisation Credit applicable at that time, multiplied by the number of shares of that Class subscribed for by the shareholder, shall crystallise as it will be applied to subscribe for additional shares of that Class for the shareholder. Additional shares of that Class shall continue to be so subscribed for at the end of each Performance Fee Period until the Maximum Equalisation Credit has fully crystallised.

If the shareholder redeems his shares of that Class before the Maximum Equalisation Credit has fully crystallised, e.g. as the Equalisation Credit may have depreciated after the original subscription for shares of that Class was made, the shareholder will receive additional redemption proceeds equal to the Equalisation Credit then prevailing multiplied by a fraction, the numerator of which is the number of shares of that Class being redeemed and the denominator of which is the number of shares of that Class held by the shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

In case of a partial redemption from a shareholding consisting of multiple subscriptions, the application of the "first-in-first-out" method might result in the definitive loss of a potential Equalisation Credit appreciation related to the shares redeemed, while the remaining shares of the shareholding might not (to the same extent) carry such potential of an Equalisation Credit appreciation.

A shareholder's Performance Fee deficit or credit resulting from Equalisation is referred to as an Equalisation Adjustment.

The Sub-Fund Particulars may lay down specific terms and conditions for nominees and other entities subscribing for and on behalf of investors, in order to ensure that the correct Equalisation Adjustment is applied to the nominees' and other entities' underlying investors.

A conversion of shares will be carried out firstly as redemption of the shares switched out of, including the crystallisation of the associated Equalisation Adjustment, if any, and subsequently as a subscription for the shares switched into, including the application of equalisation.

Shareholders should bear in mind that a conversion of shares might have adverse consequences. Firstly, if the then prevailing Net Asset Value per share of the shares switched out of is lower than the Net Asset Value per share prevailing at the time these shares were acquired. In such case, a conversion might result in the definitive loss of a potential Equalisation Credit appreciation related to the shares switched out of and/or the definitive loss of an implied carry forward loss embedded in the Net Asset Value of the shares switched out of. Such implied carry forward loss represents the portion of potential positive investment performance on which no Performance Fee would be due. Secondly, if the then prevailing Net Asset Value per share of the shares switched out of is higher than the applicable Base Net Asset Value per share or Peak Net Asset Value per share, as the case may be. In such case, the accrued Performance Fee associated with the shares switched out of will be charged upon the conversion and

the shareholder will definitively lose the potential of an earn-back of accrued Performance Fee in case of subsequent negative investment performance. None of the aforementioned adverse consequences of a conversion of shares will be compensated for in any manner.

8. Frequency of the Net Asset Value calculation and Valuation Day

The net asset value per share will be determined as at (i) the last Business Day of each week, (ii) the last Business Day of each month and (iii) any other day as the Board of Directors may determine on a case-by-case basis or generally from time to time (the "**Valuation Day**").

9. Subscription

Each Valuation Day will be a Subscription Day.

a) Subscriptions during the Initial Offer Period

During the Initial Offer Period, starting as at 10 April 2013 and ending as at 12 April 2013 subscriptions of shares in the Sub-Fund were accepted at an initial subscription price of EUR 100 per Share (when EUR is the Reference currency) or USD 100 per Share (when USD is the Reference currency) (the "**Initial Offering Price**"), increased as the case may be, by any applicable sales charge, as disclosed under section 7 of this Sub-Fund Particular.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 4 p.m. (Luxembourg time) on the last day of the Initial Offer Period. The subscription moneys must be received on the account of the Sub-Fund at the latest 3 Business Day after the last day of the Initial Offer Period.

b) Subscriptions after the Initial Offer Period

Shares will be issued at a price based on the Net asset Value per share determined as at the relevant Valuation Day increased, as the case may be, by any applicable sales charge, as detailed in section 7 of this Sub-Fund Particular.

All applications for subscriptions will be processed in accordance with the following principles.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 4 p.m. (Luxembourg time) on the second Business Day preceding the Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than 3 Business Days after the relevant Valuation Day.

10. Redemption

Each Valuation Day will be a Redemption Day.

Shares will be redeemed at a price based on the Net Asset Value per Share determined as at the relevant Valuation Day, less, any applicable redemption fee, as detailed in section 7 of this Sub-Fund Particular.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 4 p.m. (Luxembourg time) on the second Business Day preceding the Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for redeemed Shares has to be made no later than 3 Business Days after the relevant Valuation Day.

11. Conversions

Investors may request conversions of their shares from one Class to another.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 4 p.m. (Luxembourg time) on the second Business Day preceding the Valuation Day. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

12. Listing of shares on the Luxembourg Stock Exchange

The shares of the Sub-Fund are listed on the Luxembourg Stock Exchange.

13. Historical Performance

Information on the historical performance of the Sub-Fund are available in the relevant Key Investor Information Document.

Appendix 1 Glossary

1915 Law	Luxembourg Law of 10 August 1915 relating to commercial companies, as amended.
2010 Law	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended, implementing Directive 2009/65/EC into Luxembourg law.
Administration Agent	CACEIS Bank, Luxembourg Branch, acting in its capacity as administration agent of the Company.
Application Form	The application form available at the registered office of the Company and from distributors (if any).
Articles of Incorporation	The articles of incorporation of the Company, as may be amended from time to time.
Auditors	PricewaterhouseCoopers, Société Coopérative
Base Currency	The base currency of a Sub Fund, as disclosed in the relevant Sub-Fund Particular.
Board of Directors	The board of directors of the Company.
Business Day	Any full day on which the banks are open for normal business banking in Luxembourg.
Class(es)	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares (hereinafter referred to as a "Class") whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described under section 6 and in the relevant Sub-Fund Particular.
Company	KeyLux Umbrella.
Conversion Day	The day with respect to which the shares of any Sub-Fund/Class may be converted, as further detailed in section 11 and in the relevant Sub-Fund Particular.
CSSF	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority.
Depository	CACEIS Bank, Luxembourg Branch, acting in its capacity as depository of the Company.
Directors	The members of the Board of Directors.
Emerging Markets	Emerging markets are those markets in countries that are not amongst the

following groups of industrialised countries: United States and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.

EU	European Union.
EUR	The legal currency of the European Union (the "Euro").
Eligible State	Any Member State of the European Union ("EU") or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
G20	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, USA and the European Union.
Investment Grade	Fixed income securities that are at least rated Baa3/BBB- by Moody's, Standard & Poors, or another recognised credit agency.
Luxembourg	The Grand Duchy of Luxembourg.
Luxembourg Stock Exchange Management Company	Société de la Bourse de Luxembourg S.A. KEYQUANT SAS.
Money Market Instruments	Shall mean 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 per share	The net asset value of any Class within any Sub-Fund determined in accordance with the relevant provisions detailed in section 10 "Net Asset Value and dealing prices".
OECD	Organisation for Economic Co-operation and Development.
Performance Fee Period	One-year period ending on the last Valuation Day of December.
Redemption Day	The day with respect to which shares of the Company are redeemable, as further detailed, in the relevant Sub-Fund Particular.
Register	The register of shareholders of the Company.
Registrar and Transfer Agent	CACEIS Bank, Luxembourg Branch, acting as registrar and transfer agent of the Company.
Regulated Market	A regulated market as defined in the Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (Directive 2004/39/EC), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations

issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.

RESA	<i>Recueil électronique des sociétés et associations</i> , Luxembourg legal gazette.
Savings Directive	Directive 2003/48/EC of 3 June 2003 on taxation of savings income in form of interest payments.
Securities Financing Transaction (“SFTs”)	(i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or a sell-buy back transaction; (iv) a margin lending transaction as defined under the SFTR.
SFT Agent	any person involved in SFTs as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Company's assets or any Sub-Fund's assets.
SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
Subscription Day	The day with respect to which the shares of any Class may be subscribed, as detailed, in the relevant Sub-Fund Particular.
Sub-Fund	A specific portfolio of assets and liabilities within the Company having its own Net Asset Value and represented by one or more Classes.
Sub-Fund Particulars	Part of the Prospectus containing information relating to each Sub-Fund.
Transferable Securities	Shall mean: (a) shares and other securities equivalent to shares, (b) bonds and other debt instruments, (c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and Money Market Instruments.
UCITS	An Undertaking for collective investment in Transferable Securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.
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), as amended from time to time including by means of Directive 2014/91/UE.

UCITS Rules	The set of rules formed by the UCITS Directive and any derived or connected EU or national act, statute, regulation, circular or binding guidelines.
Other UCI	An Undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of Directive 2009/65/EC.
United States Person	A citizen or resident of the United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America is not includable in gross income for the purpose of computing United States income tax payable by it.
USD	The official currency of the United States of America (United States Dollar).
Valuation Day	Day as at which the Net Asset Value is determined as detailed, for each Sub-Fund, in the relevant Sub-Fund Particular.

Appendix 2 General Investment Restrictions and financial techniques and instruments

1. Investment Restrictions

Each Sub-Fund of the Company or where a UCITS comprises more than one compartment, each such Sub-Fund or compartment shall be regarded as a separate UCITS for the purposes of this Appendix. The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each Sub-Fund and the currency of denomination of a Sub-Fund subject to the following restrictions:

- I. (1) The Company may invest in:
- 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 of the European Union which is regulated, operates regularly and open to the public;
 - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of the UCITS;
 - 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 Regulated Market and such admission is secured within a year of the issue.
 - e) units of UCITS and/or other UCI, whether situated in an EU Member State or not, provided that:
 - such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
 - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;
 - the business of such other UCIs is reported in half-yearly and annual reports

to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs.

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

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this section (1) (a), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund(s) may invest according to its/their investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
- 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 Company's initiative.

and/or

h) Money Market Instruments other than those dealt in on a Regulated Market and defined in Appendix 1, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU 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 EU Member States belong; or
- issued by an undertaking any securities of which are dealt in on Regulated Markets;

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, 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.

(2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (1) above.

II. The Company may hold ancillary liquid assets.

III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued by the same issuing body.

(ii) The Company may not invest more than 20% of the total net assets of such Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) f) above or 5% of its net assets in other cases.

b) Moreover where the Company holds on behalf of a Sub-Fund investment in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph III. a), the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body,

any of the following for each Sub-Fund:

- investments in Transferable Securities or Money Market Instruments issued by that body,
 - deposits made with that body, or
 - exposures arising from OTC derivative transactions undertaken with that body
- c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.
- d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net asset value of the Sub-Fund.
- e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III.d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b), c), and d) may not be aggregated and, accordingly, investments in Transferable Securities and Money Market Instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments within the same group.

- f) **Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, a non-Member State of the EU or by another member state of the OECD, Singapore or any member state of the G20 or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total net assets of such Sub-Fund.**
- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- V. The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

The Company may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the

legislation of that state, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), c) and d).

- VI. a) The Company may acquire units of the UCITS and/or other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of other UCITS or other UCI.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- b) The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Company invests in the units of other UCITS and/or other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.

In respect of a substantial Sub-Fund's investments in UCITS and other UCIs linked to the Company as described in the preceding paragraph, the maximum management fee (excluding any performance fee, if any) charged to such Sub-Fund itself and the other UCITS and/or other UCIs concerned shall be disclosed in the relevant Sub-Fund Particular. The Company will also indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- d) The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all compartments combined.

- VII. A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Fund of the Company (each a "Target Sub-Fund") without the Company being, subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own shares; under the condition however that:

- the Investing Sub-Fund may not invest more than 10% of its net asset value in a single Target Sub-Fund; and

- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund (s); and
- the investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated does not allow such Target Sub-Fund(s) to invest more than 10% of its(their) net asset value in UCITS and UCIs; and
- voting rights, if any, attaching to the shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund(s).

VIII. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net assets of the relevant Sub-Fund.

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

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in restriction III. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction III.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

- IX. a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible;
- b) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) c), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities that shall not be deemed to constitute the making of a loan.

- c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

- d) The Company may not acquire movable or immovable property.
 - e) The Company may not acquire either precious metals or certificates representing them.
- X. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the shares are marketed.

During the first six months following its launch, a new Sub-Fund may derogate from restrictions III., IV. and VI. a), b) and c) while ensuring observance of the principle of risk spreading.

2. Financial Derivative Instruments

As specified in I. (1) (g) above, the Company may in respect of each Sub-Fund invest in financial derivative instruments.

The Company shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its net assets. The exposure is calculated taking into account the current value of the Underlying Assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Each Sub-Fund may invest in financial derivative instruments within the limits laid down in I. (1) (g), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in clause III. (a) to (e). When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in III. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction

The Sub-Funds may use financial derivative instruments for investment purposes and for hedging purposes, within the limits of the Law. Under no circumstances shall the use of these instruments cause a Sub-Fund to diverge from its investment policy.

3. Use of Techniques and Instruments relating to Transferable Securities and Money Market Instruments

The Company, in order to generate additional revenue for Shareholders, may engage in securities lending transactions subject to complying with the provisions set forth in CSSF Circular 08/356 and the provisions on efficient management portfolio techniques set-forth in CSSF Circulars 13/559, 14/592 and ESMA Guidelines 2014/937.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs/fees, will be returned to the Company. In particular, fees and cost may be paid to agents of the Management Company and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of net revenues earned by the Company through the use of efficient portfolio management techniques. Information on direct and indirect operational costs and fees that may be

incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they have with the Depositary Bank or Management Company - will be available in the annual report of the Fund, if applicable, and/or disclosed in the Sub-Fund Appendices. The Company may lend portfolio securities to third persons either directly or through a standardized securities lending system organized by a recognised clearing institution or through a securities lending system organised by a financial institution subject to prudential supervision rules which are considered by the CSSF as equivalent to those laid down in community law and that is specialised in that type of transaction.

The Company must ensure that the volume of the securities lending transactions is kept at an appropriate level in order to be able at all times, to meet its obligation to redeem its own Shares.

The Company must further ensure that it is entitled at any time to request the return of the securities lent or to terminate the securities lending agreement.

Securities lending agreement must not result in a change of the Sub-Funds' investment policies.

The Company will receive collateral in accordance with section 4 below.

Such collateral will be maintained at all times in an amount equal to at least 100% of the total valuation of the securities, and for the duration of the loan.

Lending transactions may not be carried out for more than 30 days and in excess of 50% of the total valuation of the portfolio securities. These limits are not applicable if the Company has the right to terminate the lending contract at any time and obtains restitution of the securities lent.

All revenues linked to the securities lending operations will revert to the fund, net of costs and fees to be charged by intermediaries of the Company.

The Company may enter into repurchase agreements which consist in the purchase and sale of securities whereby the terms of the agreement entitle the seller to repurchase from the purchaser the securities at a price and at a time agreed amongst the two parties at the conclusion of the agreement.

The Company may act either as purchaser or as seller in repurchase transactions. Its entering in such agreements is however subject to the following rules:

- The Company may purchase or sell securities in the context of a repurchase agreement only if its counterpart is a highly rated financial institution which are experts in this type of transactions and which are subject to prudential supervision rules considered by the Luxembourg regulatory authority as equivalent to those prescribed by EU law.
- During the lifetime of a repurchase agreement, the Company may not sell the securities which are the object of the agreement either before the repurchase of the securities by the counterparty has been carried out or the repurchase period has expired.
- The Company must ensure to maintain the value of purchased securities subject to a repurchase obligation at a level such that it is able, at any time, to meet its obligations to redeem its own Shares.
- When the Company enters into a reverse repurchase agreement, it must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the Company.
- When the Company enters into a repurchase agreement, it should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

At the date of this Prospectus the Company does not enter into repurchase agreements, carry out securities lending transactions or other similar types of operations requiring the exchange of collateral. If the Company were to use this type of operations, the Prospectus will be updated in accordance with the applicable regulations to specify the counterparty to these operations, the policy with regards to cost/direct operational costs and indirect arising from these operations, the exposure obtained through the use of this type of operations and the type and amount of collateral. These information will be stated in the annual report.

4. SECURITIES FINANCING TRANSACTIONS AND TOTAL RETURN SWAPS

At the date of this Prospectus, the Company is not authorised to enter into any securities financing transaction as defined in the SFTR or total return swaps or other financial derivative instruments with similar characteristics. Should the Company decide to enter into this type of operations in the future, the prospectus would be updated in accordance with the relevant regulations and CSSF Circulars in force.

5. Management of collateral for OTC Derivative transactions and efficient portfolio management techniques

Where the Company enters into OTC Derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

- (a) Liquidity – any collateral received other than cash should be 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. Collateral received should also comply with the provisions of paragraph V above.
- (b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further described in the Appendix if appropriate.
- (c) Issuer credit quality – collateral received should be of high quality.
- (d) Correlation – the collateral received by the Company must 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.
- (e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of efficient portfolio management and OTC Derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- (f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- (g) Where there is a title transfer, the collateral received should be held by the Depositary. For other types of collateral arrangement, the 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.
- (h) Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- (i) Non-cash collateral received should not be sold, re-invested or pledged.

- (j) Cash collateral received should only be:
- i. placed on deposit with entities prescribed in paragraph I. (1) (f) above;
 - ii. invested in high-quality government bonds;
 - iii. used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
 - iv. Invested in short-term money market funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. As of the date of the present prospectus, the Company does not intend to enter into OTC derivatives transactions. Should the Company decide to enter into this type of operations in the future, the prospectus would be updated in accordance with the relevant regulations and CSSF Circulars in force.

Haircut policy

The Company applies a haircut policy depending on the asset type received as collateral in accordance with ESMA Guidelines on ETFs and other UCITS issues (ESMA/2012/832), CSSF Circulars 08/356, 13/559 and 14/592.

The Company only uses cash and bonds of excellent quality and applies the haircut policy described here below. In any case, eligible collateral consists of assets of excellent quality, diversified and liquid. Collateral will be valued on a daily basis on the basis of market prices and taking into the haircuts determined by the Company. The haircut policy takes into account a variety of factors depending on the nature of received collateral, such as the credit quality of the issuer, the maturity, the currency, the price volatility as well as, if applicable, the results of stress-tests in normal and exceptional liquidity conditions.

No haircut will be applied on cash collateral.

Non-cash collateral will only be accepted if they do not have a high volatility.

The following haircut policy will be applied on collateral:

- 20% on shares and/or convertible bonds which are comprised in a main index;
- 15% on debt and debt-related securities issued by a non-governmental issuer.

The value of non-cash collateral received is at least 100% of the market risk value.