

# Candriam Quant

**Société d'Investissement à Capital Variable  
(SICAV)**

**Luxembourg**

## Prospectus

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Subscriptions can only be accepted on the basis of this Prospectus, which is only valid if accompanied by the latest available annual report and the latest semi-annual report, where the latter was published after the latest annual report. These documents form an integral part of this Prospectus.

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**02 April 2015**

Candriam Quant (hereinafter the “SICAV”) is registered on the official list of undertakings for collective investment (hereinafter “UCIs”) in accordance with Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (hereinafter the “Law”) and meets the conditions laid down by European Directive 2009/65/EC.

Its registration on this list should not be interpreted as a positive assessment by the regulatory authority of the content of this Prospectus (hereinafter the “Prospectus”) or the quality of the securities offered or held by the SICAV. Any affirmation to the contrary is unauthorised and illegal.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised.

Shares in this SICAV are not and will not be registered in the United States in accordance with the US Securities Act of 1933, as amended (“1933 Securities Act”) and are not and will not be eligible under any law of the United States. These shares must not be offered, sold or transferred in the United States (including its territories and possessions) or directly or indirectly benefit any US Person (as defined in Regulation S of the 1933 Securities Act and equivalent). In addition, financial institutions which do not comply with the FATCA programme (FATCA stands for the US Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (hereinafter the “HIRE Act”), and its application measures, including the identical provisions adopted by partner countries which have signed an “Intergovernmental Agreement” with the United States, must expect to be forced to have their shares redeemed when the programme is put in place.

No person has been authorised to provide any information other than that contained in this Prospectus or the documents referred to herein, which may be consulted by the general public. Any subscription made on the basis of information or indications not contained in or incompatible with information contained in this Prospectus shall be at the subscriber’s risk.

The Board of Directors of the SICAV is liable for the accuracy of the information contained in the Prospectus on the date of its publication.

Neither the provision of this Prospectus nor the offering, issue or sale of shares in the SICAV constitutes confirmation that the information given in this Prospectus will at all times be accurate subsequent to the publication date of this Prospectus. This Prospectus will be updated at the appropriate time in order to reflect significant changes. Therefore, it is recommended that potential subscribers contact the SICAV to enquire whether a later Prospectus is available.

Any reference made in this Prospectus to the terms:

- “Member State” refers to a Member State of the European Union States that are party to the Agreement on the European Economic Area, other than the Member States of the European Union, are treated as equivalent to Member States of the European Union, within the limits defined by this Agreement and the associated instruments;
- EUR: concerns the currency of the countries that are part of the European Monetary Union;
- USD: concerns the currency of the United States of America.

It is recommended that subscribers seek advice on the laws and regulations such as those on taxation and foreign exchange control applicable to the subscription, purchase, ownership and sale of shares in their place of origin, residence and domicile.

The SICAV reminds investors that any investors may only fully exercise their investor rights directly in relation to the SICAV, in particular the right to attend general meetings of shareholders,

if the investors are registered in their own name in the register of shareholders of the SICAV. In the event that the investor invests in the SICAV through an intermediary investing in the SICAV in its name but on behalf of the investor, some shareholder rights may not necessarily be exercised by the investor directly in relation to the SICAV. Investors are recommended to obtain information on their rights.

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## 1. ADMINISTRATION OF THE SICAV

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**Board of Directors**

*Chairman*

**Mr Jean-Yves Maldague**  
Managing Director  
Candriam Luxembourg

*Directors*

**Mr Bart Goosens,**  
Global Head of Quantitative Equity Management  
Candriam Belgium

**Mr Vincent Hamelink**  
Member of the Executive Committee  
Candriam Belgium

**Mr Jan Vergote**  
Head of Investment Strategy  
Belfius Banque S.A.

**Registered office:** 14, Porte de France, L-4360 Esch-sur-Alzette

**Custodian Bank** RBC Investor Services Bank S.A.  
14, Porte de France, L-4360 Esch-sur-Alzette

**Management Company:** Candriam Luxembourg  
136, route d'Arlon, L-1150 Luxembourg

*Chairwoman*

- **Ms Yie-Hsin Hung**  
Senior Vice President  
New York Life Insurance Company  
Senior Managing Director and Co-President  
New York Life Investment Management

*Directors:*

- **Mr Jean-Yves Maldague**  
Managing Director  
Candriam Luxembourg
- **Mr Naïm Abou-Jaoudé**  
Chairman of the Executive Committee  
Candriam
- **Mr John M. Grady**

Senior Managing Director  
New York Life Investment Management

- **Mr John T. Fleurant**  
Executive Vice President and Chief Financial Officer  
New York Life Insurance Company
- **Mr John Yong Kim**  
Vice Chairman, President of the Investments Group and  
Chief Investment Officer  
New York Life Insurance Company  
Chairman  
New York Life Investment Management

Management Committee

Chairman

Mr Jean-Yves **Maldague**  
Managing Director  
Candriam Luxembourg

Members

- Mr Naïm **Abou-Jaoudé**, Director - Manager
- Mr Michel **Ory**, Manager
- Mr Alain **Peters**, Manager

*The implementation of the portfolio management duty is delegated to:*

Candriam Belgium  
Avenue des Arts 58  
B-1000 Brussels

*The securities lending and borrowing operations are delegated to:*

Candriam France  
40 rue Washington  
F-75408 Paris Cedex 08

*Administrative Agent and Domiciliary Agent duties are assigned to:*

RBC Investor Services Bank S.A.  
14, Porte de France, L-4360 Esch-sur-Alzette

*Transfer Agent duties (including Registrar activities) are delegated to:*

RBC Investor Services Bank S.A.  
14, Porte de France, L-4360 Esch-sur-Alzette

**Auditors:**

- of the SICAV:

PricewaterhouseCoopers  
2, rue Gerhard Mercator  
BP 1443  
L-1014 Luxembourg

of the Management Company:

PricewaterhouseCoopers  
2, rue Gerhard Mercator  
BP 1443  
L-1014 Luxembourg

## 2. INTRODUCTION

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The SICAV is a société d'investissement à capital variable (open-ended investment company) established in accordance with Part I of the Luxembourg law of 17 December 2010 on UCI and the law of 10 August 1915 on commercial companies, as amended. The minimum capital is EUR 1,250,000.

The SICAV is registered with the Luxembourg Commercial and Companies Register under number B-87 647. Its articles of association were filed with the Luxembourg Commercial and Companies Registry and were initially published in the Mémorial, Recueil des Sociétés et Associations of the Grand Duchy of Luxembourg (hereinafter the "Mémorial") on 10 July 2002. The articles of association were last amended on 6 May 2014. The corresponding changes were published in the Mémorial.

The SICAV takes the form of an umbrella SICAV, which is made up of a number of sub-funds each representing a specific pool of assets and liabilities and each adhering to a specific investment policy.

Each sub-fund is governed by its own investment policy and monetary benchmark. Subscribers may choose the sub-fund with the management strategy best suited to their objectives and sensitivity.

Each sub-fund may offer several share classes, as defined in the fact sheets accompanying this Prospectus (the "Fact Sheets"). These classes will be differentiated by their distribution policies (some capitalise their income, while others distribute their income in the form of dividends), currency, type of target investor, subscription and management fees and other specific features.

By definition, the umbrella structure offers investors the benefit of being able to choose between different sub-funds and switch from one sub-fund to another, provided the conditions for holding shares in the new sub-fund are met.

The following sub-funds are currently available to investors:

- Candriam Quant Equities EMU, denominated in EUR
- Candriam Quant Equities Europe, denominated in EUR
- Candriam Quant Equities USA, denominated in USD and EUR
- Candriam Quant Equities World, denominated in EUR

The following classes may be issued:

- The **Classique** class is offered to individuals and legal entities. It offers capitalisation shares and distribution shares. This class may or may not be hedged against foreign exchange risk, as stated in each sub-fund's Fact Sheet.
- The **N** class is reserved for distributors specially approved by the Management Company. It offers capitalisation shares and/or distribution shares. This class may or may not be hedged against foreign exchange risk, as stated in each sub-fund's Fact Sheet.
- The **I** class is reserved exclusively for institutional investors whose minimum initial subscription is EUR 250,000, or its equivalent in currencies if applicable. This amount may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same valuation date. This class offers capitalisation shares only.



- The Z class is reserved for institutional investors who have entered into a portfolio management agreement with the Candriam group. The purpose of this class is to offer these investors a different cost structure since the portfolio management service offered by the Candriam group is directly remunerated according to the management contract. No management fee will be charged on Z class assets. If it transpires, for whatever reason and at whatever time, that a holder of Z class shares wishes to terminate his management agreement with the Candriam Group, the SICAV's directors will instruct RBC Investor Services Bank S.A. to transfer the client's shares from Z class to the I, S or V Classique capitalisation class if the shareholder meets the conditions required to invest in this class.
- The Z class offers capitalisation shares only.
- The S class is reserved exclusively for institutional investors specially approved by the Management Company. It offers capitalisation shares only.
- The V class is reserved exclusively for institutional investors making a minimum initial subscription of EUR 15,000,000 or its currency equivalent if applicable (this amount may be reviewed at the directors' discretion; in this case, all shareholders must be guaranteed equal treatment on a given valuation date). This class offers accumulation shares only.
- This LOCK class (which may also be called "L class") is a share class, attached to which is a mechanism that aims to limit the capital risk incurred. This mechanism is offered only by Belfius Banque S.A., sole distributor authorised to sell these shares. By investing in this class, investors accept that the shares are sold automatically when the net asset value reaches a set amount (activation price). Accordingly, whenever Belfius Banque S.A. notes that the net asset value is equal to or less than the activation price, a redemption order is automatically generated and executed as soon as possible.

The sales order will be consolidated at the first cut-off (deadline for the reception of orders) following the calculation date of the net asset value that gave rise to the automatic activation of the redemption order.

**In view of the specific nature of this class, before subscribing, potential investors should seek advice from their financial advisor at Belfius Banque S.A. so as to be aware of the technical and operational imperatives associated with this mechanism.**

- The R class is reserved to certain distributors and intermediaries approved by the Management Company who will not receive any form of remuneration from the Management Company.

The SICAV's consolidation currency is the EUR.

The Board of Directors may open additional sub-funds or classes, in which case this Prospectus will be updated accordingly. It may also close one or more sub-funds, on a date determined by it, provided that investors are informed by way of notifications published in the press and the required changes are made to the Prospectus.

### **3. MANAGEMENT AND ADMINISTRATION**

#### **3.1. Board of Directors**

The Board of Directors of the SICAV is responsible for managing the assets of each of the sub-funds of the SICAV.

It may perform any management or administration duties on behalf of the SICAV, notably the purchase, sale, subscription or exchange of any securities, and exercise any rights directly or indirectly attached to the assets of the SICAV.

A list of members of the Board of Directors is found in this Prospectus and in the interim reports.

### **3.2. Management Company**

Candriam Luxembourg (hereinafter “the Management Company”), a partnership limited by shares with its registered office at 136 route d’Arlon, L-1150 Luxembourg, is appointed as the Management Company to the SICAV in accordance with a contract entered into for an unlimited term between the SICAV and the Management Company. This agreement may be terminated by either party subject to advance written notice of 90 days.

Candriam Luxembourg was established in Luxembourg on 10 July 1991. It commenced its management activities on 1<sup>st</sup> February 1999 and is a subsidiary of New York Life Investment Management Global Holdings Europe s.à.r.l., a New York Life Insurance Company Group entity.

Candriam Luxembourg received approval as a Management Company within the meaning of chapter 15 of the Law, and is authorised to provide collective portfolio management, investment portfolio management and investment advisory services. Its articles of association were amended for the last time on 19 September 2014 and the corresponding amendments were published in the Mémorial C (Recueil des Sociétés et Associations). The coordinated articles of association have been filed with the Luxembourg Trade and Companies Registry.

The list of entities managed by the Management Company is available upon requested from the Management Company.

Candriam Luxembourg is entered in the Trade and Companies Registry of and in Luxembourg under number B 37.647. The capital of the Management Company is EUR 55,903,879.44. It is established for an unlimited period. Its financial year ends on 31 December each year.

The Management Company has the broadest possible powers to carry out UCI management and administration activities in pursuance of its objects.

It is responsible for portfolio management, administration (Administrative Agent and Transfer Agent, including Registrar duties) and marketing (distribution) activities.

In accordance with the Law, the Management Company is authorised to delegate its duties, powers and obligations in whole or in part to any person or company it deems fit, subject to the proviso that the Prospectus is updated beforehand. The Management Company, however, retains full responsibility for the actions of the delegate(s).

The various duties carried out by the Management Company or one of its delegates create entitlement to fees, as described in the Fact Sheets in the Prospectus.

Investors are invited to read the SICAV’s annual reports to obtain detailed information on the fees paid to the Management Company or its delegates as remuneration for their services.

#### **3.2.1. Portfolio management**

The Board of Directors of the SICAV is responsible for the investment policy of the SICAV’s

various sub-funds. The SICAV has appointed the Management Company to implement this policy.

The Management Company may, inter alia, exercise on behalf of the SICAV any voting rights attached to the transferable securities that make up the assets of the SICAV.

The Management Company has delegated, under its control, responsibility and own cost, the implementation of portfolio management of the SICAV's sub-funds to its Belgian subsidiary Candriam Belgium, whose registered office is situated at 58 Avenue des Arts, B-1000 Brussels via a delegation agreement entered into for an unlimited term. This agreement may be terminated by either party subject to advance written notice of 90 days.

Candriam Belgium is a management company of undertakings for collective investment formed in Belgium in 1998 for an unlimited term.

The Management Company delegated, under its supervision and responsibility, the implementation of the securities lending and borrowing operations to Candriam France, whose registered office is situated at 40, rue Washington – F-75408 Paris via a delegation agreement entered into for an unlimited term.

This agreement may be terminated by either party subject to advance written notice of 90 days. Candriam France is a portfolio Management Company formed in France in 1988 for an unlimited term.

The Management Company and Candriam Belgium (“the Service Provider”) may enter into soft commission agreements with brokers under the terms of which certain services are provided to them based on the brokerage fees the brokers receive in respect of the SICAV's transactions. These agreements will help the Management Company or the service provider to improve the management of the portfolio. Investments made within the context of such portfolio management activities will always be in the shareholders' interest.

Soft commission agreements are subject to the following conditions:

- a) the Management Company and the Service Provider will at all times act in the SICAV's best interests;
- b) the services provided will relate directly to portfolio management activities;
- c) the brokerage fees in respect of the SICAV's portfolio activities will be communicated to brokers/traders who are legal entities and not individuals;
- d) the Management Company or the Service Provider will provide the SICAV's Board of Directors with reports on soft commission agreements, including the types of the services received.
- e) information on soft commission agreements will be included in the annual report.

### **3.2.2. Domiciliary agent, administrative agent, registrar, transfer agent and listing agent**

The Management Company has appointed RBC Investor Services Bank S.A., via a Central Administration Agreement, to provide a global central administration service defined by the Domiciliary Agent, Administrative Agent, Registrar, Transfer Agent and Listing Agent SICAV duties.

This agreement may be terminated by either party subject to advance written notice of 90 days.

RBC Investor Services Bank S.A. is registered in the Luxembourg Trade and Companies Registry (RCS) under number B-47192 and was formed in 1994 under the name “First European Transfer Agent”. It holds a banking licence in accordance with the Luxembourg Law of 5 April 1993 on the financial sector, as amended, and specialises in the provision of custodian, administrative agent and

other related services. Its equity capital as at 31 October 2013 amounted to approximately EUR 842,822,598.

### **3.2.3. Marketing**

The marketing function consists in coordinating the marketing of the SICAV's shares through distributors and/or intermediaries designated by the Management Company (hereinafter "Distributors"). A list of Distributors can be obtained by investors free of charge from the Management Company's registered office.

Distributor or placement agreements may be entered into by the Management Company and the various Distributors.

Under these agreements, the Distributor, in its capacity as nominee, will be entered in the register of shareholders instead of the customers who have invested in the SICAV.

These agreements stipulate that a customer who has invested in the SICAV through the Distributor may at any time request the transfer of the shares purchased via the Distributor into his or her own name in the register upon receipt of the transfer instructions from the Distributor.

Shareholders may subscribe to the SICAV directly without needing to subscribe through a Distributor.

Any Distributor appointed must apply the procedures to combat money laundering as defined in the Prospectus.

The appointed Distributor must have the legal and regulatory status required to market the SICAV and be situated in a country subject to obligations to combat money laundering and the financing of terrorism equivalent to those of the Luxembourg law or the European Directive 2005/60/EC.

## **4. CUSTODIAN BANK**

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RBC Investor Services Bank S.A. (hereafter the "Custodian Bank") was appointed as the custodian of the assets of the SICAV under the terms of an agreement of unlimited duration. This agreement may be terminated by either party subject to 90 days' advance written notice to the other party.

The custody of the assets of the SICAV is entrusted to the Custodian Bank, which fulfils the obligations and duties stipulated by the Law. In accordance with the Law, the Custodian Bank may, under its own responsibility, entrust all or part of the assets under its custodianship to other banking institutions or financial intermediaries.

The Custodian Bank must also:

- (a) ensure that any sale, issue, redemption or cancellation of shares on behalf of the SICAV is conducted in accordance with the Law and the articles of association of the SICAV,
- (b) ensure that for transactions involving the SICAV's assets, the consideration is paid to it within normal timescales,
- (c) ensure that the SICAV's income is allocated in line with the articles of association.

## **5. INVESTMENT OBJECTIVES**

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The SICAV offers investors the opportunity to participate in portfolios of transferable securities and money market instruments actively managed by professionals with the aim of increasing the net asset value. As the different sub-funds are subject to market fluctuations and the risks inherent in any investment in transferable securities, no guarantee can be given that the objective will be achieved.

The SICAV offers convenient access to the financial markets, the economic benefits of buying and selling securities in blocks and a diversified portfolio, and hence risk diversification.

## **6. GENERAL INVESTMENT POLICY**

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An investment policy is defined by the Board of Directors for each sub-fund, based on the principle of risk diversification.

6.1) The investments of the various sub-funds of the SICAV must consist only of one or more of the following:

a) units in UCITS authorised according to Directive 2009/65/EC and/or other UCI, within the meaning of article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether established in a Member State or not, provided:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to those set down in EU legislation, and that cooperation between authorities is sufficiently ensured,
- the level of protection guaranteed to unitholders in these other UCIs is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on asset segregation, borrowing, lending and short-selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
- the activities of these other UCIs are reported in semi-annual and annual reports such that their assets, liabilities, income and activities over the reporting period may be evaluated,
- the proportion of assets that the UCITS or other UCIs whose acquisition is contemplated may invest overall, in accordance with their management rules or their documents of incorporation, in units in other UCITS or other UCIs does not exceed 10%.

Furthermore, a sub-fund may acquire and/or hold shares to be issued or having been issued by one or more sub-funds of the SICAV (the “target sub-funds”), without the SICAV being subject to the requirements stipulated by the Law of 10 August 1915 on commercial companies, as amended, in terms of the subscription, acquisition and/or holding by a company of its own shares, subject, however, to the following:

- the target sub-fund does not in turn invest in the sub-fund invested in this target sub-fund, and

- the proportion of assets that the target sub-funds whose acquisition is contemplated may invest overall in the units of other target sub-funds of the same UCI does not exceed 10%, and
  - any voting rights attached to the respective securities will be suspended for as long as they are held by the sub-fund in question, without prejudice to the appropriate treatment in the accounts and the interim reports, and
  - in any event, for as long as these securities are held by the SICAV, their value will not be accounted for in the calculation of the net assets of the SICAV for the purpose of verifying the minimum assets level imposed by the law.
- b) transferable securities and money market instruments listed or traded on a market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments,
- c) transferable securities and money market instruments traded on another regulated market of a Member State, which operates regularly and is recognised and open to the public,
- d) transferable securities and money market instruments officially listed on a stock exchange of a Member State of Europe (other than those forming part of the EU), North and South America, Asia, Oceania and Africa, or traded on another market of a country of Europe (other than those forming part of the EU), North and South America, Asia, Oceania and Africa, that is regulated, operating regularly, recognised and open to the public;
- e) newly issued transferable securities and money market instruments provided the terms of issue include the undertaking that the application for official listing on a stock exchange or another regulated market which operates regularly and is recognised and open to the public, as specified in b), c) and d) above, is made within one year of the date of issue.
- f) deposits with a bank which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months. The bank must have its registered office in a Member State or, if this is not the case, must be subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under EU legislation,
- g) derivative financial instruments, including equivalent cash-settled instruments, traded on a regulated market of the type referred to under points b), c) and d) above, or derivative financial instruments traded over-the-counter, provided that:
- distinguished by the measures described below the underlying consists of the instruments referred to in this article 1, financial indices, interest rates, exchange rates or currencies, in which the sub-fund may make investments in accordance with its investment objectives;
  - the counterparties to the transactions are institutions subject to prudential supervision and belonging to the categories authorised by the CSSF,
  - these instruments are reliably and verifiably valued on a daily basis and can, at the initiative of the SICAV, be sold, liquidated or closed by way of an offsetting transaction at their fair value at any time,

Additional information pertaining to some instruments:

A sub-fund may make use of total return swaps or other derivative financial instruments which

have the same characteristics, for example, certificates for differences, for the purpose of (buying or selling) exposure, hedging or arbitration.

The underlying instruments to these operations may be individual securities or financial indices (equities, interest rates, credit, foreign currencies, commodities, volatility etc.) in which the sub-fund may invest in accordance with its investment objectives.

A sub-fund may conduct credit derivative transactions (single underlying or on a credit index) for the purposes of exposure, hedging or arbitrage.

These transactions are undertaken with counterparties which specialise in this type of transaction and are covered by agreements among the parties. They are carried out within the framework of the investment policy and the risk profile of each individual sub-fund.

The investment policy of each sub-fund set in the Fact Sheet specifies whether a sub-fund is permitted to make use of total return swaps or these other forms of derivative financial instruments with the same characteristics and also of credit derivatives.

- h) money market instruments other than those normally traded on the money market, which are liquid and whose value can be accurately determined at any time, provided the issuer or issuer of these instruments is itself regulated for the purpose of protecting investors and savings and provided these instruments are:
- issued or guaranteed by a central, regional or local authority, by a central bank of a Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking whose securities are traded on the regulated markets referred to under points b), c) or d) above, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF as being at least as stringent as those laid down by EU law, or
  - issued by other bodies belonging to categories approved by the CSSF, provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in the first, second or third indent above, and that the issuer is a company with combined capital and reserves of at least ten million euros (EUR 10,000,000) which presents and publishes its annual accounts in accordance with the Fourth Council Directive 78/660/EEC, an entity which, within a group of companies that includes one or more listed companies, is dedicated to financing the group or an entity which is dedicated to financing securitisation vehicles that benefit from bank financing facilities.

6.2) A sub-fund may not:

- invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in article 1.;
- purchase precious metals or certificates representing precious metals.

A sub-fund may hold cash on an ancillary basis.

6.3.) The SICAV may acquire any movable or immovable property that is essential to the direct exercise of its activities.

#### 6.4) Efficient portfolio management techniques

In order to increase its yield and/or reduce its risks, each sub-fund is authorised to make use of the following efficient portfolio management techniques covering marketable securities and money market instruments:

##### **6.4.1) Securities lending transactions**

Each sub-fund may lend the securities in its portfolio to a borrower directly or through a standardised lending system organised by a recognised securities settlement service or a lending system organised by a financial institution that is subject to prudential supervision rules considered by the CSSF to be equivalent to those set down in EU legislation and that specialises in this type of transaction.

Such lending transactions may relate to 100% of the total asset value of the securities in the portfolio.

The SICAV must ensure that it maintains the amount of securities lending at an appropriate level or must be able to request the return of the loaned securities, such that the sub-fund in question is able at all times to meet its redemption obligations, and must ensure that these transactions do not compromise the management of the sub-fund's assets in accordance with its investment policy.

##### **6.4.2) Repurchase transactions and reverse repurchase transactions**

###### a) Reverse repurchase transactions

Each sub-fund may enter into reverse repurchase agreements for which on maturity the seller (counterparty) is required to take back the asset contained in the repurchase agreement and the sub-fund is required to return the asset contained in the reverse repurchase agreement.

The type of securities contained in the reverse repurchase agreement and the counterparties must meet the requirements of CSSF Circular 08/356.

Securities contained in reverse repurchase agreements must comply with the relevant sub-fund's investment policy and must, along with the other securities the sub-fund has in its portfolio, fully meet the sub-fund's investment restrictions.

For the term of the reverse repurchase agreement, the sub-fund may not sell or use the securities which are contained in this agreement as a pledge/guarantee unless the sub-fund has other means of coverage.

###### b) Repurchase agreements

Each sub-fund may enter into repurchase agreements for which on maturity the sub-fund is required to reacquire the asset contained in the repurchase agreement and the seller (counterparty) is required to return the asset contained in the reverse repurchase agreement.

The type of securities contained in the reverse repurchase agreement and the counterparties must meet the requirements of CSSF Circular 08/356.



The relevant sub-fund must, on expiry of the term of the repurchase agreement, have the necessary assets to pay the agreed return price to the sub-fund.

The use of these transactions must not result in a change in its investment objectives or result in additional risks being taken which exceed its risk profile as defined in the Prospectus.

The risks associated with efficient portfolio management techniques, namely counterparty risk, delivery risk and conflict of interest risk, defined in the article entitled “Risk factors”, are to be distinguished by the measures described below

#### **6.4.3) Measures to limit the risks associated with efficient portfolio management techniques**

1. Measures to limit counterparty and delivery risk
  - i. Selection of counterparties: The counterparties to these transactions are approved by the Management Company’s Risk Management team and, when the transactions are initiated, have a minimum short-term rating of A-2 or equivalent from at least one recognised rating agency.
  - ii. Financial guarantees: See point 7.10. Management of financial guarantees for OTC derivative products and efficient portfolio management techniques below.
  - iii. Restrictions on reinvestment of financial guarantees received: See point 7.10. Management of financial guarantees for OTC derivative products and efficient portfolio management techniques below.
2. Measures taken to reduce the risk of conflicts of interest

To mitigate the risk of a conflict of interest, the Management Company has established a process for selecting and monitoring counterparties through committees organised by Risk Management. In addition, the remuneration of these transactions is in line with market practices in order to avoid any conflict of interest.

#### **6.4.4) Earnings on securities lending and borrowing activities**

Income from securities lending is returned in full to the respective sub-fund(s) after deduction of costs and direct and indirect operational expenses. The costs and fees paid to the Management Company amount to a maximum of 40% of this income.

During the course of this activity, the Management Company is responsible for concluding securities lending operations and the resulting administrative follow-up, the supervision of activity risks, legal and fiscal monitoring of the activity as well as the hedging of the operational risks stemming from this activity.

The annual report contains detailed information on the income from securities lending activities and on the operational costs and fees engendered. It also specifies the identity of the entities to which these costs and fees are paid and specifies if they are related to the Management Company and/or the Custodian Bank.

#### **6.4.5) Periodic investor information**

Further information on the conditions of application of these efficient portfolio management techniques are given in the annual and semi-annual reports.

## **7. INVESTMENT RESTRICTIONS**

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### 7.1.

- a) A sub-fund may invest no more than 10% of its assets in transferable securities or money market instruments issued by the same entity.

A sub-fund may invest no more than 20% of its assets in deposits made with a single entity.

The risk exposure to a counterparty of a sub-fund in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is one of the credit institutions referred to in point 1.f) of “General investment policy” or 5% of its assets in other cases;

In over-the-counter operations, the counterparties to these operations, when the transactions are initiated, have a minimum short-term rating of A-2 or equivalent from at least one recognised ratings agency, and are approved by the Management Company’s Risk Management department.

The SICAV may have cause to be party to agreements, under the terms of which financial guarantees may be granted under the conditions set in point 7.10 below.

Additional information on the one or more counterparties to the transactions is given in the SICAV’s annual report.

- b) The total value of the transferable securities and money market instruments held by the sub-fund in the issuing bodies in which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to over-the-counter derivative transactions with such institutions.

Notwithstanding the individual limits established in point a) above, a sub-fund may not combine, if this were to result in it investing more than 20% of its assets in the same entity, several of the following items:

- investments in transferable securities or money market instruments issued by this entity,
  - deposits with this entity, or
  - exposures arising from OTC derivative transactions entered into with this entity.
- c) the 10% limit specified in point a) above may be raised to a maximum of 35% if the transferable securities and money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State of the EU or by public international bodies to which one or more Member States belong.
- d) the 10% limit specified in point a) above may be raised to a maximum of 25% in the case of certain bonds when these are issued by a bank which has its registered office in a Member State and which is subject by law to special supervision by the public authorities designed to protect bond-holders. In particular, the sums arising from the issue of these bonds must be invested, according to the legislation, in assets which, throughout the period of validity of the bonds, cover the debts arising from the bonds and which, in the event of the issuer’s

bankruptcy, would be used for the repayment of the capital and the payment of accrued interest.

If a sub-fund invests more than 5% of its assets in the bonds referred to in the first paragraph and issued by a single issuer, the total value of these investments may not exceed 80% of the asset value of this sub-fund.

- e) securities and money market instruments referred to in points c) and d) above shall not be taken into account when applying the 40% limit referred to in point b) above.

The limits provided for in points a), b), c) and d) may not be combined, and consequently investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with points a), b), c) and d) may not exceed a total of 35% of the assets of the sub-fund.

Companies which are included in the same group for the purposes of consolidated accounts, within the meaning of Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single entity for the purpose of calculating the limits set down in this point 1.

A sub-fund may cumulatively invest up to 20% of its assets in transferable securities and money market instruments within the same group.

- 7.2. **Notwithstanding the restrictions specified in point 1 above, each sub-fund is authorised to invest, according to the principle of risk distribution, up to 100% of its assets in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by a Member State of the OECD or by public international bodies to which one or more Member States of the EU belong. If a sub-fund exercises this latter option, it must hold transferable securities belonging to at least six different issues but securities belonging to the same issue may not exceed 30% of the total amount of the net assets.**

- 7.3. Notwithstanding the restrictions specified in point 1 above, sub-funds whose investment policy is to replicate an equity or bond index (hereinafter the “benchmark index”), may raise the limits to a maximum of 20% for investments in equities and/or bonds issued by the same body, provided that:

- the composition of the index is sufficiently diversified,
- the index adequately represents the market to which it refers,
- the index is published in an appropriate manner.

The 20% limit referred to above is raised to 35% if this proves to be justified by exceptional conditions on the markets, notably on regulated markets where certain transferable securities or certain money market instruments are highly dominant. Investing up to this limit is only authorised for a single issuer.

7.4.

- (1) A sub-fund may acquire units in the UCITS and/or other UCI stated under article 1. a) of the “General investment policy” section, provided it does not invest more than 20% of its assets in a single UCITS or other UCI.

For the purpose of applying this investment limit, each sub-fund of an umbrella UCI is regarded as a separate issuer, provided the principle of the segregation of the liabilities of the various sub-funds with regard to third parties is followed.

- (2) Investments in units of UCIs other than UCITS may not exceed in total 30% of the assets of a

UCITS.

Where a UCITS has acquired units in a UCITS and/or other UCIs, the assets of those UCITS or other UCIs are not combined for the purposes of calculating the limits set down in article 1 of this section.

- (3) If a sub-fund invests in units in other UCITS and/or other UCI which are managed, directly or by delegation, by the Management Company or by any company with which the Management Company is associated as part of a co-management or co-control agreement or by means of a significant direct or indirect shareholding, the Management Company or the other company may not charge subscription or redemption fees for the investment of the sub-fund in the units in other UCITS and/or other UCI.
- 7.5. a) The SICAV may not acquire shares with voting rights that enable it to exercise a significant influence over the management of an issuer.
- b) The SICAV may not acquire more than:
- 10% of the non-voting shares issued by a single issuer,
  - 10% of the debt securities issued by a single issuer,
  - 10% of the money market instruments issued by a single issuer,
  - 25% of the units of the same UCITS or other UCI.

The limits set down in the second, third and fourth indents of point 5 b) above may be disregarded at the time of purchase if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities in issue, cannot be calculated.

- c) The limits set down in points 5. a) and b) above shall not apply to:
- Transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities,
  - Transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU,
  - Transferable securities and money market instruments issued by public international bodies to which one or more EU Member States belong.
- 7.6. a) The SICAV may not borrow. However, a sub-fund may acquire currencies through back-to-back loans,
- b) As an exception to point a):
- the sub-funds may borrow provided these loans are temporary and represent a maximum of 10% of their assets;
  - The SICAV may borrow provided the loans permit the acquisition of the immovable property essential to the direct exercise of its activities, and represent a maximum of 10% of its assets.

Where the SICAV is authorised to borrow under the terms of point b) above, these loans will not exceed a total of 15% of its assets.

- 7.7. a) A sub-fund may not grant loans or stand as guarantor in respect of third parties.
- b) Point a) will not prevent the sub-funds from acquiring transferable securities, money

market instruments or other financial instruments referred to in article 1 a), g) and h) of the “General investment policy” chapter, that are not fully paid-up.

7.8. A sub-fund may not short-sell transferable securities and money market instruments or other financial instruments referred to in article 1 a), g) and h) of the “General investment policy” chapter.

7.9.

a) The sub-funds do not necessarily have to follow the limits stated in this chapter when exercising the subscription rights relating to the transferable securities or money market instruments which form part of their assets.

Whilst ensuring that the risk distribution principle is followed, newly approved sub-funds may deviate from the provisions of articles 1, 2, 3 and 4 of this chapter for a period of six months from their approval date.

b) If the limits referred to in paragraph a) are exceeded unintentionally by the sub-fund or as a result of the exercise of the subscription rights, the primary objective of the latter in its selling transactions will be to regularise this situation in the interests of the shareholders.

c) In the month preceding a closure, cancellation, liquidation or demerger operation, and in the thirty days preceding a sub-fund merger, the investment policy of the sub-funds affected by these operations may be deviated from, as indicated in the Fact Sheets of the Prospectus.

7.10. Management of financial guarantees for OTC derivative products and efficient portfolio management techniques

#### **a) General criteria**

All guarantees to reduce exposure to counterparty risk must at all times satisfy the following criteria:

- **Liquidity:** any guarantee received in a form other than cash must have a strong level of liquidity and must be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.
- **Valuation:** the guarantees received must be valued at least on a daily basis and assets with highly volatile prices will only be accepted as collateral if sufficiently prudent security margins are in place.
- **Credit quality of issuers:** the financial collateral received must be of excellent quality.
- **Correlation:** the financial guarantee received must be issued by an entity which is independent of the counterparty and does not have a strong correlation with the counterparty’s performance.
- **Diversification:** the financial guarantee must be sufficiently diversified in terms of the countries, markets and issuers. As regards issuer diversity, the maximum exposure to an issuer through the guarantees received must not exceed 20% of the net assets of the respective sub-fund.

The management risks connected with guarantees, such as operational and legal risks, must be identified, managed and restricted by the risk management process.

In the event of transfer of ownership, the guarantee received will be held by the Custodian Bank. Other types of agreements giving rise to guarantees may be held by an external custodian subject to prudential supervision which is not connected to the supplier of the financial guarantees.

The guarantees received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

#### **b) Types of authorised guarantees**

The permitted types of financial guarantees are as follows:

- cash denominated in the reference currency of the respective sub-fund,
- highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by public sector issuers from an OECD country (governments, supranational bodies, etc.) and of a minimum issue size of EUR 250 million,
- highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by private sector issuers from an OECD country and of a minimum issue size of EUR 250 million,
- shares listed or traded on a regulated market of a Member State of the European Union or on a stock exchange of a state which is a member of the OECD provided the shares are included in a significant index;
- shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, high quality bonds or shares that meet the conditions stated above.

The Risk Management department of the Management Company may impose stricter criteria in terms of the guarantees received and thereby exclude certain types of instruments, certain countries, certain issuers or certain securities.

#### **c) Level of financial guarantees**

The Management Company has put in place a policy which requires a level of financial guarantees based respectively on the type of transactions as follows:

- securities lending transactions: 105% of the value of the assets transferred,
- for other efficient portfolio management techniques: 100% of the value of the assets transferred,
- over-the-counter derivative financial instruments: During the course of transactions in over-the-counter financial instruments, some sub-funds may hedge transactions by making margin calls in cash in the currency of the sub-fund subject to the restrictions stated in point 7.1 of this Prospectus as regards the counterparty risk.

#### **d) Discounting policy**

The Management Company has put in place a discounting policy suited to each category of assets

received as a financial guarantee.

For each of the categories of assets shown below, the Management Company may apply the following discounts:

Asset category	Discount
Cash	0%
Debt securities issued by public sector issuer	0-3%
Debt securities issued by private sector issuer	0-5%
Shares, UCI units/shares	0-5%

#### e) Reinvestment of cash

Financial guarantees received in cash can only be placed with those entities stated in point 6.1.f) of the Prospectus, invested in highly rated government loans, used for the purpose of repurchase transactions that can be recalled at any time and/or invested in short-term monetary funds, in accordance with the applicable diversification criteria.

Although invested in assets with a low degree of risk, investments may nevertheless include a limited financial risk.

Non-cash financial guarantees may not be sold or reinvested or pledged.

## 8. RISK FACTORS

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The SICAV's sub-funds may be exposed to various risks depending on their investment policy. The principal risks to which the sub-funds may be exposed are shown below. Each Fact Sheet states the non-marginal risks to which the respective sub-fund may be exposed.

The net asset value of a sub-fund may rise or fall and shareholders may not receive back the amount invested or obtain any return on their investment.

The risk description below makes no claim, however, to be exhaustive and potential investors should take note firstly of the whole of this Prospectus and secondly of the section entitled "Risk and return profile" in the key investor information.

It is also recommended that investors consult their professional advisors before investing.

**Risk of capital loss:** there is no guarantee for investors relating to the capital invested in the sub-fund in question, and investors may not receive back the full amount invested.

**Interest rate risk:** change in interest rates, resulting notably from inflation, may cause a risk of losses and reduce the net asset value of the sub-fund (particularly in the event of a rate increase if the fund has a positive rate sensitivity and in the event of a rate decline if the fund has a negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations.

Inflation is one of the factors which may have an impact on rates.

**Inflation risk:** inflation risk is mainly due to sudden changes in supply and demand of goods and products in the economy, increases in the cost of raw materials as well as excessive wage increases. This is the risk of being repaid in a depreciated currency, getting a rate of return below the rate of inflation. This risk concerns, for example, long-term and fixed income bonds.

**Risk associated with external factors:** uncertainty about the sustainability of some external environmental factors (such as tax regime or regulatory changes) that may have an impact on operation of the UCI.

**Credit risk:** risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk.

Some sub-funds may be exposed to the credit market and/or specific issuers in particular whose prices will change based on the expectations of the market as regards their ability to repay their debt. These sub-funds may also be exposed the risk that a selected issuer will default, i.e. will be unable to honour its debt repayment, in the form of coupons and/or principal. Depending on whether the sub-fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value.

**Foreign exchange risk:** foreign exchange risk derives from the sub-fund's direct investments and its investments in forward financial instruments, resulting in exposure to a currency other than its valuation currency. Changes in the exchange rate of this currency in relation to that of the sub-fund may negatively affect the value of assets in the portfolio.

**Counterparty risk:** the funds may use OTC derivative products and/or efficient portfolio management techniques. These transactions may cause a counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.

**Emerging countries risk:** market movements can be stronger and faster on these markets than on the developed markets, which could cause the net asset value to fall in the event of adverse movements in relation to the positions taken. Volatility may be caused by a global market risk or may be triggered by the vicissitudes of a single security. Sectoral concentration risks may also be prevalent on some emerging markets. These risks may also heighten the volatility. Emerging countries can experience serious political, legal and fiscal uncertainties or other events that could impact negatively on the sub-funds investing in them.

**Liquidity risk:** liquidity risk is defined as that of a position in the sub-fund's portfolio that cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardizing the sub-fund's ability to comply at any time with its obligations to redeem the shares of investors at their request. On certain markets (in particular emerging and high-yield bonds, equities with low market capitalisation, etc.), the quotation spreads may widen under less favourable market conditions, which could impact on the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.

**Delivery risk:** the sub-fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the sub-fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged, may not be able in operational terms to return the assets quickly enough to allow the sub-fund to honour the sale of these instruments on the market.

**Equity risk:** some sub-funds may be exposed to equity market risk through direct investment (through securities and/or derivative products). These investments, which generate long or short exposure, may entail a risk of substantial losses. A variation in the equities market in the reverse direction to the positions can lead to the risk of losses and may cause the net asset value of the sub-fund to fall.

**Arbitrage risk:** arbitrage is a technique which consists in benefiting from the differences in prices recorded (or anticipated) between markets and/or sectors and/or securities and/or currencies and/or instruments. If such arbitrage transactions perform unfavourably (a rise in sell transactions and/or fall in buy transactions), the sub-fund's net asset value may fall.



**Concentration risk:** risk related to a significant concentration of investments in a specific asset class or certain markets. This means that changes in these assets or these markets have a significant impact on the sub-fund's portfolio value. The greater the diversification of the sub-fund's portfolio, the lesser the risk of concentration. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).

**Model risk:** the management process of some sub-funds relies on establishing a model which is used to identify signals based on past statistical results. There is a risk that the model is inefficient and that the strategies used will produce a poor performance. There is no guarantee that past market situations will be reproduced in the future.

**Commodities risk:** trends for commodities may differ significantly from those of traditional securities markets (equities, bonds). Climatic and geo-political factors can also affect the supply and demand levels of the respective underlying product, or in other words alter the expected scarcity of the product on the market. Commodities, however, namely energy, metals and agricultural products, could have more closely correlated trends. Unfavourable trends on these markets may cause the net asset value of a sub-fund to fall.

**Risk of conflicts of interest:** Selection of a counterparty based on reasons other than the sole interest of the fund and/or unequal treatment in the management of similar portfolios could be the main sources of conflicts of interest.

## 9. RISK MANAGEMENT

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The Management Company has put in place a system of risk management procedures in order to measure the risk of the positions and their contribution to the overall risk of the portfolio.

The method of determining the overall risk is established on the basis of the investment policy and strategy of each sub-fund (and notably on the basis of the use of derivative financial instruments).

One of two methods is used to monitor the overall risk: the commitment method or the value-at-risk method. The method used is stated in the Fact Sheet for each sub-fund.

### A) Commitment method

This method consists in converting the derivative financial instruments into equivalent positions in the underlying assets (where applicable, based on their respective sensitivity). This conversion may, if necessary, be replaced by the notional value.

A derivative financial instrument will not be included in the calculation of the overall risk in the following situations:

- if the simultaneous holding of this instrument linked to a financial asset and cash invested in risk-free assets is equivalent to the direct holding of the financial asset in question,
- if this financial instrument exchanges the performance of the financial assets held in the portfolio for the performance of other benchmark financial assets (at no additional risk relative to the direct holding of the benchmark financial assets).

The sub-fund may offset buying and selling positions in derivative financial instruments concerning identical underlying assets, regardless of the maturity of the contracts. Furthermore, offsetting is also permitted between derivative instruments and directly held assets, provided the two positions concern the same asset or assets whose historic yields are closely correlated. Offsetting may be in terms of market value or in terms of risk indicator.

The overall risk assumed by the sub-funds of the SICAV may not exceed 210% of the net asset

value.

B) Value at risk (VaR) method

A VaR model is used to quantify the maximum potential loss that could be incurred by the sub-fund's portfolio under normal market conditions. This loss is estimated for a given period of time (holding period of 1 month) and a given confidence level (99%).

The value at risk may be calculated as an absolute or a relative value:

- Relative VaR limit

The overall risk arising from all the portfolio positions calculated through the VaR may not exceed twice the VaR of a benchmark portfolio with the same market value as the sub-fund. This management limit applies to all sub-funds for which a benchmark portfolio may be adequately defined. For the sub-funds in question, the benchmark portfolio is mentioned in the Fact Sheets.

- Absolute VaR limit

The overall risk of all the portfolio positions calculated through the VaR may not exceed an absolute VaR of 20%. This VaR must be calculated on the basis of an analysis of the investment portfolio.

If the overall risk is calculated via the VaR method, the expected level of leverage as well as the possibility of a higher level of leverage is referred to in the Fact Sheet of the sub-fund in question.

## **10. THE SHARES**

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From the time of their issue, the shares of the SICAV participate equally in the profits and any dividends of the SICAV and the proceeds of its liquidation. Shares do not carry any preferential or pre-emptive rights and each whole share, regardless of its net asset value, carries the rights to one vote at any general meeting of shareholders. Shares must be fully paid-up and are issued at no par value.

There is no restriction as to the number of shares issued. In the event of liquidation, each share carries the right to a pro rata amount of the net liquidation proceeds.

The SICAV offers different share classes per sub-fund. Details of these are mentioned in the Fact Sheet of each sub-fund.

From 02 April 2015, shares will only be available in registered form.

Shareholders will not receive any certificate representing the shares unless expressly requested by them. The SICAV will instead simply issue a written confirmation of entry in the register.

Fractions of shares divided into thousandths may be issued.

The Law of 28 July 2014 on the immobilisation of bearer shares and units and the keeping of the register of registered shares and the register of bearer shares, and amending 1) the amended Law of 10 August 1915 on commercial companies and 2) the amended Law of 5 August 2005 on financial collateral contracts (hereinafter the "Law of 28 July 2014"), which was published in Mémorial A, Recueil de Législation, on 14 August 2014 and which came into force on 18 August 2014, states that the bearer shares held by shareholders must be deposited with a custodian to be appointed by the Board of Directors of the SICAV (hereinafter the "Custodian of Bearer Shares").

In accordance with the Law of 28 July 2014, the Board of Directors of the SICAV has appointed the following bank as Custodian of Bearer Shares: Banque Internationale à Luxembourg, 69 route d'Esch, L-2953 Luxembourg.

Shareholders holding bearer shares are therefore required to immobilise these shares with the Custodian of Bearer Shares.

**Shareholders failing to immobilise their bearer shares with the Custodian of Bearer Shares by 18 February 2015 will have the voting rights attached to their shares suspended until they are effectively immobilised. On this same date, distributions will be deferred until the date of immobilisation, provided the distribution rights are not time-barred, and without payment of interest.**

**Shareholders failing to immobilise their bearer shares with the Custodian of Bearer Shares by 18 February 2016 will have their shares cancelled and the funds corresponding to these shares cancelled or, failing that, other assets with a countervalue equivalent to the cancelled shares will be deposited with the Caisse de Consignation until a person who is able to demonstrate that he or she is the holder requests their return.**

## 11. LISTING OF SHARES

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The shares may be listed on the Luxembourg Stock Exchange, as indicated in the Fact Sheet of the sub-fund.

## 12. ISSUE OF SHARES AND SUBSCRIPTION AND PAYMENT PROCEDURE

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Except where specific restrictions apply to a given sub-fund, the Board of Directors is authorised to issue an unlimited number of shares in any sub-fund at any time. All shares subscribed must be fully paid up.

### **Current subscription**

Shares in each sub-fund are issued at a price corresponding to the net asset value per share, plus any fees as defined in the Fact Sheets of the sub-funds.

The different share classes may comprise a minimum subscription or a minimum initial subscription, depending on the provisions of the Fact Sheets of each of the sub-funds.

The Board of Directors of the SICAV reserves the right to apply different arrangements for certain countries in order to comply with the laws, regulations and administrative provisions of those countries and provided the investment documents in relation to those countries make due mention of these requirements.

### **Procedure**

Subscription requests received by RBC Investor Services Bank S.A. in Luxembourg before noon

(local time) each bank business day will be processed at the net asset value calculated on the following valuation date. Accordingly, subscriptions are carried out based on an unknown net asset value.

Subscription requests submitted after this time will be processed at a price calculated on the second valuation date to follow.

The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

The subscription price for each share is payable, in the currency of the sub-fund's share class, within five bank business days following the applicable valuation date.

Applications must specify whether certificates are to be issued and must include the name and address under which shares should be registered and the address to which confirmations should be sent.

If payment in connection with a subscription request is received after the stipulated period has expired, RBC Investor Services Bank S.A. will process the application, if the purchaser so wishes, on the basis that the number of shares subscribed using the amount in question (including the applicable selling fee) will be that resulting from the next net asset value calculation following the date on which payment is received.

The Board of Directors may restrict or prevent ownership of the SICAV's shares by any person or legal entity if the SICAV considers that this ownership leads to a breach of the law in the Grand Duchy of Luxembourg or abroad, or may imply that the SICAV be subject to tax in a country other than the Grand Duchy or may in some other way be detrimental to the SICAV.

## **General provisions**

As well as indicating the relevant sub-fund, applications must indicate the amount or number of shares to be subscribed and be accompanied by a statement confirming that the buyer has received and read a copy of the prospectus and the last financial report and that the subscription application is being submitted based on the terms of this prospectus.

Subject to receiving the full subscription price and any specific instructions relating to registration, confirmation of share ownership will be dispatched, at the subscriber's risk, no later than ten days from the subscription date to the subscriber or the subscriber's appointed representative, in accordance with the subscriber's instructions.

Where an application is rejected in full or in part, the price paid or the outstanding balance will be returned to the applicant by post, at the applicant's risk. The SICAV reserves the right to present all cheques and payment orders on receipt and to retain payments in excess of the purchase price for as long as subscriber's cheques and payment orders have not been encashed.

The SICAV reserves the right to reject subscription applications or to accept them only in part. Furthermore, the Board of Directors reserves the right to suspend the issue and sale of shares in any sub-fund at any time and without notice.

The SICAV, the Management Company, assisted by RBC Investor Services Bank S.A., and the selling agents must at all times comply with Luxembourg legislation relating to the combating of money laundering and terrorist financing and prevention of the use of the financial system for the purpose of money laundering and terrorist financing.

RBC Investor Services Bank S.A. will comply with Luxembourg laws on money laundering when it receives subscription applications. Therefore when any shareholders or future shareholders submit an application, they must prove their identity by means of a copy of their identification papers (passport or identity card) certified true by the competent authorities of their country, such as an embassy, consulate, notary or the police. If the application is made by a legal entity, it must provide a copy of its articles of association and the names and identities of its shareholders or directors. However, where the application is made by a bank or financial institution subject to obligations equivalent to those set down in the amended Law of 12 November 2004 or Directive 2005/60/EC, the identity of these shareholders will not be verified. If there are any doubts as to the identity of a person making a subscription or redemption application due to a lack, irregularity or insufficiency of proof regarding that person's identity, it is the responsibility of RBC Investor Services Bank SA to suspend or even reject subscription applications for the reasons set out above. In such circumstances, RBC Investor Services Bank S.A. must not be liable for any expenses or interest.

### **13. REDEMPTION OF SHARES**

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All shareholders are entitled, at any time and without restriction, to request that their shares be redeemed by the SICAV. Shares redeemed by the SICAV will be cancelled.

#### **Redemption procedure**

Shareholders wishing to have all or part of their shares redeemed may apply for the redemption by writing to RBC Investor Services Bank S.A.

The application must be irrevocable (subject to the provisions of the "Temporary suspension of the calculation of the net asset value" chapter) and must indicate the number of shares to be redeemed and the name of the sub-fund in question, the name under which the shares are registered and details concerning the payment of the redemption price.

The redemption application must be accompanied by all documents certifying any transfer. Requests must also indicate the telex or fax number or telegraph address (where appropriate) of the shareholder requesting redemption.

All shares presented for redemption, where an application is received by RBC Investor Services Bank S.A. in Luxembourg before noon (local time) each bank business day, will be processed at the net asset value calculated on the following valuation date. Accordingly, redemptions are carried out based on an unknown net asset value.

Redemption applications received after this cut-off time will be processed at a price calculated on the second valuation date to follow.

The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

Redeemed shares are paid for within five Luxembourg bank business days following the applicable valuation day and receipt by the SICAV of the aforementioned documents. Payment will be made in the currency of the sub-fund (or any other currency specified in the Fact Sheets relating to the various sub-funds) from which the shares are being redeemed, at the shareholder's request and expense, by funds transfer to the bank account indicated by the shareholder.

The redemption price of the SICAV's shares may be higher or lower than the purchase price paid by the shareholder at the time of subscription, depending on whether the net asset value has gone up or down.

## **14. CONVERSION OF SHARES**

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Pursuant to the articles of association and subject to the following provisions, all shareholders may switch from one sub-fund to another (where more than one sub-fund has been opened) and, if necessary, request the conversion of any shares they hold in a given sub-fund into shares of the same class in another sub-fund or another class in the same sub-fund, provided the criteria are met. Shares may be converted on each net asset valuation date of the sub-funds in question, provided this is the same valuation date for the two respective sub-funds.

Shareholders must submit a conversion request to RBC Investor Services Bank S.A. The procedures and notice periods applicable to the redemption of shares also apply to the conversion of shares.

Conversions are subject to RBC Investor Services Bank S.A. receiving a duly completed conversion application form.

The rate at which some or all of the shares in a given class (the "original class") are converted into shares in another class (the "new class") is determined, as closely as possible, on the basis of the following formula:

$$A = \frac{B \times C \times E}{D}$$

- A is the number of shares in the new class to be allocated
- B is the number of shares in the original class to be converted
- C is the net asset value per share of the original class calculated on the valuation date in question
- D is the net asset value per share of the new class calculated on the valuation date in question
- E is the exchange rate between the currency of the original sub-fund and the currency of the new sub-fund, except for sub-funds whose class is denominated in a currency other than the euro.

Except where the calculation of the net asset value per share is suspended, the conversion will take place at the net asset value calculated on the following valuation date, provided the application is notified to RBC Investor Services Bank S.A. on each bank business day before noon (local time). The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

## **15. MARKET TIMING AND LATE TRADING**

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The *market timing* and *late trading* practices defined below are formally forbidden for subscription, redemption or conversion orders.

The SICAV reserves the right to reject any subscription or conversion orders received from investors suspected of such practices and, where applicable, reserves the right to take all necessary steps to protect other shareholders.

### **1. Market timing**

Practices associated with *Market timing* are not permitted.

*Market timing* means the arbitrage technique whereby an investor systematically subscribes to and redeems or converts units or shares of a single undertaking for collective investment over a short period of time by exploiting the time differences and/or imperfections or deficiencies of the system for calculating the net asset value of the undertaking for collective investment.

### **2. Late trading**

Practices associated with *Late trading* are not permitted.

*Late trading* means the acceptance of a subscription, conversion or redemption order after the cut-off time for the acceptance of orders on the relevant trading day and its execution at the price based on the net asset value applicable to that day.

## **16. NET ASSET VALUE**

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The net asset value of the shares in each sub-fund is determined in that sub-fund's base currency in accordance with the articles of association, which stipulate that this calculation will take place at least twice a month.

The net asset value of active sub-funds is calculated in Luxembourg on each valuation date ("valuation date"), as stated in the Fact Sheets. If the valuation day is a public or bank holiday in Luxembourg, the valuation day will be the next bank business day.

As a rule, the net asset value of each sub-fund will fluctuate in line with the value of the assets included in the underlying portfolio.

The net assets of each sub-fund will be valued as follows:

- I. The assets of the SICAV will notably comprise:
  - (a) all cash on hand or on deposit including accrued interest,
  - (b) all notes and bills payable on sight and accounts receivable (including proceeds from the sale of shares where payment has not yet been received),
  - (c) all securities, units, shares, bonds, options or subscription rights and other investments and securities owned by the SICAV,
  - (d) all dividends and distributions receivable by the SICAV (it is understood that the SICAV may make adjustments in the light of fluctuations of the market value of securities resulting from ex-dividend or ex-rights trading or similar practices),
  - (e) all accrued interest from securities owned by the SICAV, unless such interest is included in the principal of the securities,

- (f) the preliminary expenses of the SICAV insofar as they have not been amortised,
- (g) all other assets of any kind, including prepaid expenses.

The value of these assets is determined as follows:

- (a) Units in Undertakings for Collective Investment shall be valued on the basis of their last available net asset value unless the publication date of the last net asset value is more than 10 business days from the valuation date, in which case it will be estimated prudently and in good faith and in accordance with generally accepted principles and procedures.
- (b) The value of cash on hand or on deposit, notes and bills payable at sight and accounts receivable, prepaid expenses and dividends and interest announced or due for payment but not yet received, will constitute the nominal value of these assets, except if it is unlikely that the value can be obtained. In the latter case, their value will be determined by deducting an amount considered appropriate by the SICAV to reflect the real value of the assets.
- (c) The valuation of any security listed on an official list or on any other regulated market, operating regularly, recognised and open to the public is based on the latest stock market price known in Luxembourg, on the date and, if the security is traded on several markets, on the basis of the latest price known on the main market of that security. If the last known price is not representative, the valuation will be based on the probable realisable value that the Board of Directors will estimate prudently and in good faith.
- (d) Securities not listed or traded on a stock market or regulated market, which operates on a regular basis and is recognised and open to the public, will be valued on the basis of their probable realisable value estimated prudently and in good faith.
- (e) Cash and money market instruments will be valued at their face value plus accrued interest or using the straight-line depreciation method.
- (f) All other assets will be valued by the directors on the basis of their probable realisable value, which must be estimated in good faith and according to generally accepted principles and procedures.

The Board of Directors may, at its sole discretion, permit the use of any other generally accepted valuation method where it considers that the resulting valuation better reflects the probable realisable value of an asset held by the SICAV.

In particular, on valuation days where the difference between the amount of subscriptions and the amount of redemptions of a sub-fund (i.e., the net transactions) exceeds a threshold set in advance by the Board of Directors, the latter reserves the right to determine the net asset value by adding to the assets (in the case of net subscriptions) or by deducting from the assets (in the case of net redemptions) an adjustable percentage of fees and costs based on the costs actually attributable to the net asset value, corresponding to market practices when buying or selling securities.

This percentage will be determined on the basis of counterparty fees and tax and operating costs prevailing on the markets corresponding to the sub-fund's investment universe.



II. The SICAV's liabilities will notably consist of the following:

- (a) all borrowings, matured bills and accounts payable,
- (b) all administrative expenses, overdue or due (including but not limited to remuneration paid to the SICAV's managers, custodians, representatives and agents),
- (c) all known obligations, whether due or not due, including all contractual obligations payable relating to payments in cash or in kind, where the valuation date coincides with the date on which it is determined who is or will be entitled to such payment,
- (d) an appropriate reserve for future taxes on capital and on revenue, accrued up to the valuation date and determined periodically by the SICAV and, where necessary, other reserves authorised or approved by the Board of Directors,
- (e) any other liabilities of the SICAV regardless of their nature and type, with the exception of liabilities represented by shares in the SICAV. For valuing the amount of these other liabilities, the SICAV will take into account all its operating expenses (including the emoluments and travel costs or other expenses of directors, fees owing to the Custodian Bank and its correspondent banks and the fees and commissions payable to the Management Company and to its delegates, paying agents, permanent representatives at places of registration, to any other employee, agent appointed by the SICAV, to independent experts, and the costs of legal and auditing services), costs of printing and distributing annual and semi-annual reports, brokerage fees, corporate taxes, duties, contributions and charges payable by the SICAV, the costs of registering the SICAV and the costs of maintaining such registration with all government institutions and stock exchanges, and carriage, telephone and telex costs, the fees and costs associated with taking out a subscription or a license or any other request for data or information subject to a fee, to suppliers of financial indices, rating agencies or any other data provider.

The SICAV may calculate regular or periodic administrative and other expenses by way of an estimate for the year or any other period by allocating the amount over that period on a pro rata basis.

III. Each share in the SICAV that is in the process of being redeemed must be considered to be issued and outstanding until the close of business on the valuation date on which it is redeemed and will, from that date until the redemption price is paid, be considered a liability of the SICAV.

Each share to be issued by the SICAV in accordance with subscription applications received will be treated as having been issued from the close of business on the valuation date on which its issue price is calculated, and its price will be treated as an amount due to the SICAV until received by it.

IV. As far as possible, any investments or divestments made by the SICAV up to a given valuation date will be taken into account.

V. The net asset value of each sub-fund will be expressed in the currency selected by the Board of Directors as stated in the Fact Sheets.

All assets not expressed in the currency of the sub-fund will be converted into that currency at the exchange rate of the stock market date used as reference for the calculation of the net asset value.

The net asset value of the SICAV is equal to the sum of the net assets of the various sub-

funds. The SICAV's capital will at all times be equal to the value of its net assets, and its consolidation currency is the EUR.

VI. A pool of assets will be established for each sub-fund in the following manner:

- (a) the proceeds from the issue of shares in a sub-fund will be allocated in the SICAV's accounts to the pool of assets set up for that sub-fund, and assets, liabilities, income and expenses relating to that sub-fund will be allocated to that sub-fund's pool of assets,
- (b) the assets derived from other assets will be allocated in the accounts of the SICAV to the same pool of assets as the assets from which they are derived. Whenever an asset is revalued, any increase or reduction in its value will be attributed to the pool of assets of the sub-fund to which the asset belongs,
- (c) all of the liabilities of the SICAV which may be allocated to a given sub-fund will be allocated to the pool of assets of that sub-fund,
- (d) the assets, liabilities, charges and expenses which cannot be allocated to a specific sub-fund will be allocated to the various sub-funds in equal parts, or insofar as the amounts concerned justify it, proportionate to their respective net assets,
- (e) following any payment of dividends to the shareholders of a sub-fund, the net value of that sub-fund will be reduced by the amount of the dividends.

## **17. TEMPORARY SUSPENSION OF NET ASSET VALUE CALCULATION**

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The Board of Directors is authorised to temporarily suspend the calculation of net asset value in respect of one or more sub-funds, as well as the issue, repurchase and conversion of shares in one or more sub-funds, in the following cases:

- (a) throughout the entire period during which one of the main markets or stock exchanges on which a substantial percentage of a given sub-fund's investments is listed is closed, except for normal closing days, or any period during which trading is subject to significant restrictions or is suspended;
- (b) when the political, economic, military, monetary or social situation, or any event of force majeure, beyond the responsibility or control of the SICAV, makes it impossible to access its assets by reasonable and normal means, without causing serious harm to shareholders' interests;
- (c) during any breakdown in the communication methods normally utilised to determine the price of any investment by the sub-fund(s), or the current price on any market or stock market;
- (d) where exchange rate or capital movement restrictions prevent the execution of transactions on behalf of the sub-fund(s), or where buy or sell transactions in relation to assets of the sub-fund(s) cannot be carried out at normal exchange rates, or where payments due in respect of the redemption or conversion of shares in the sub-fund(s) cannot, in the opinion of the Board of Directors, be made at normal exchange rates;
- (e) in the event of the cancellation/closure or demerger of one or more sub-funds or share classes or types, provided this suspension is justified with a view to protecting the shareholders of the

sub-funds or share classes or types in question.

(f) if a meeting of shareholders is called to propose the winding-up of the SICAV.

Subscribers and shareholders offering shares for redemption shall be advised of the suspension of the calculation of the net asset value.

Suspended subscriptions and redemption applications may be withdrawn by sending written notice provided this is received by RBC Investor Services Bank S.A. before the suspension is lifted.

Suspended subscriptions and redemptions will be processed on the first valuation date following the lifting of the suspension

## **18. APPROPRIATION OF INCOME**

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Each year, the General Meeting votes on proposals put forward by the Board of Directors in this regard.

In respect of capitalisation shares, it is proposed at each such meeting that income be incorporated in the share price, thereby capitalising that income.

In respect of distribution shares, it is proposed at each such meeting that net investment income for the year, together with net realised and unrealised gains and net assets, be distributed within the limits set out in the Law.

Dividends that are not claimed within five years of their date of payment may no longer be claimed and shall revert to the appropriate classes of the SICAV.

The Board of Directors may make interim dividend payments where it considers appropriate.

## **19. SEPARATION OF THE LIABILITIES OF THE SUB-FUNDS**

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The SICAV is a single legal entity. However, the assets of a specific sub-fund are only accountable for the debts, liabilities and obligations relating to that sub-fund. In relations between shareholders, each sub-fund is treated as a separate entity.

## **20. FEES AND CHARGES**

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### **20.1. Management fee**

In consideration for its portfolio management activity, the Management Company must receive annual management fees, as indicated in the Fact Sheets.

The management fee is expressed as an annual percentage of the average net asset value of each share class and is payable monthly.

## **20.2. Performance fee**

In consideration for its portfolio management activity, the Management Company may also receive performance fees, as indicated in the Fact Sheets where appropriate.

## **20.3 Distribution fee**

In consideration for its marketing activity, the Management Company may also receive distribution fees, as indicated in the Fact Sheets where appropriate.

## **20.4. Operational and administrative charges**

The SICAV will bear the day-to-day operational and administrative charges incurred to cover all the overheads, variable costs, charges, fees and other expenses, as described below (the “Operational and Administrative Charges”).

The Operational and Administrative Charges cover the following costs, although this list is not exhaustive:

- (a) expenses incurred directly by the SICAV, including, among others, fees and charges owing to the Custodian Bank, commissions and fees for auditors, share class hedging fees, including those charged by the Management Company, the fees paid to Directors and the reasonable costs and expenses incurred by or for the Directors,
- (b) a “service fee”, paid to the Management Company and which includes the remaining amount of Operational and Administrative Charges after deducting the costs indicated in section (a) above, refers to the fees and costs of the custodian agent, the administrative agent, the transfer agent, the registrar, the principal paying agent, the costs associated with registration and for maintaining this registration in all jurisdictions (such as fees deducted by the supervisory authorities concerned, translation costs and payment for representatives abroad and local paying agents), stock exchange listing and follow-on expenses, share price publication costs, postal and communication costs, the costs for preparing, printing, translating and distributing prospectuses, key investor information documents, notices to the shareholders, financial reports or any other documents for shareholders, legal fees and expenses, the costs and fees associated with the subscription to any account or licence or any other use of paid information or data, the fees incurred for using the SICAV’s registered trademark and the fees and expenses for the Management Company and/or its delegates and/or any other agent appointed by the SICAV itself and/or independent experts.

Operational and Administrative Charges are expressed as an annual percentage of the average net asset value of each share class.

They are payable monthly at a maximum rate as set out in the Fact Sheets.

At the end of a given period, if the charges and expenses were to exceed the percentage of the Operational or Administrative Charges set for a share class then the Management Company would pay the difference. Conversely if the actual charges and expenses were to be less than the percentage of the Operational and Administrative Charges set for a class of shares, then the Management Company would retain the difference.

The Management Company may instruct the SICAV to settle all or part of the expenses as stated above directly on its assets. In such case, the amount of Operational and Administrative Charges will be reduced as a result.

The Operational and Administrative Charges do not cover:

- The duties, taxes, contributions, rights or costs of taxation imposed on the SICAV and its assets, including Luxembourg subscription tax.
- Fees linked to transactions: each sub-fund incurs the fees and expenses for buying and selling transferable securities, financial instruments and derivative products, brokerage fees and expenses, interest (interest on swaps and loans, etc.) or tax and other expenses linked to transactions.
- Fees linked to securities lending and borrowing activities.
- Fees generated by the anti-dilution mechanism.
- Bank fees such as interest on overdrafts.
- Non-recurring expenses, some of which may not be reasonably expected in the ordinary course of SICAV activities, including but not limited to, the cost of exceptional and/or ad hoc measures and fees for tax advisers, legal advice, expert assessment, introduction fees or fees for legal procedures to protect the interests of shareholders and any expenses associated with one-off agreements entered into by any third party in the interests of the shareholders.

Costs and expenses relating to updating the Prospectus may be amortised over the next five financial years.

The charges and costs relating to opening a specific sub-fund may be amortised over five years, exclusively in relation to the assets of this new sub-fund.

Charges and costs not directly attributable to a specific sub-fund will be allocated equally among the various sub-funds or, where the amount of charges and costs so requires, will be allocated among the sub-funds proportionate to their respective net assets.

## **21. GENERAL MEETINGS OF SHAREHOLDERS**

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An Annual Shareholders' General Meeting is held each year at the SICAV's registered office, or any other place in Luxembourg specified in the meeting notice.

The annual General Meeting of Shareholders will be held each year on 19 April at 11 am or on the following bank business day if this is a public holiday.

Announcements concerning the General Meetings of shareholders will be sent by letter to all shareholders to the address shown on the shareholders' register at least eight days before the General Meeting, according to the applicable laws.

Such announcements state the time and place of Shareholders' General Meetings as well as the admission criteria, agenda and requirements under Luxembourg law in respect of any required quorum and majority.

In addition, notices will be published in the Mémorial, Recueil des Sociétés et Associations of the Grand Duchy of Luxembourg, the Luxembourg newspaper "Luxemburger Wort" if the legislation requires it.

They will also be published in the press of the countries where the SICAV is marketed, if stipulated

by the legislation of these countries.

The requirements concerning participation, quorum and majority during any General Meeting will be those set down in the SICAV's articles of association.

## **22. ANNUAL AND SEMI-ANNUAL MANAGEMENT REPORTS AND FINANCIAL STATEMENTS**

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Annual reports relating to the previous year and the unaudited half-yearly reports will be available from the registered office of the SICAV.

The financial reports include separate financial statements in respect of all sub-funds in their respective currencies. In order to establish the SICAV's balance sheet, these financial statements are consolidated after conversion into the SICAV's consolidation currency, which is the EUR.

## **23. TAXATION**

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### **Taxation of the SICAV**

Under the terms of applicable legislation and current practice, the SICAV is not liable for any Luxembourg income or capital gains tax. Similarly, dividends paid by the SICAV are not subject to any form of Luxembourg withholding tax.

However, the SICAV is liable in Luxembourg for an annual duty representing 0.05% of the net asset value of the SICAV. This duty is reduced to 0.01% for classes reserved exclusively for institutional investors, in accordance with article 174 of the Law. This duty is payable quarterly based on the total net assets of the SICAV and calculated at the end of the quarter to which the duty relates.

In accordance with the Law and current practice, no tax is payable in Luxembourg on the capital gains realised on the assets of the SICAV.

Certain revenues of the SICAV in terms of dividends and interest or capital gains on assets from sources outside Luxembourg may, however, be liable for variable rate taxes, which are generally deducted at source. Generally speaking, these taxes or deductions at source are not fully or partly recoverable. Within this context, the relief on these taxes and deductions at source provided for by the international double taxation prevention treaties entered into by the Grand Duchy of Luxembourg and the respective countries is not always applicable.

### **Taxation of shareholders**

Under current legislation, shareholders are not liable in Luxembourg to any gift or inheritance tax, except for shareholders who are domiciled, resident or have a permanent address in Luxembourg.

In terms of income tax, shareholders who are resident in Luxembourg are liable on the basis of a direct assessment on dividends received and capital gains realised on the sale of their units if their

units are held for a period of less than six months, or if more than 10% of the shares of the company are held.

Shareholders who are non-resident in Luxembourg are not liable for tax in Luxembourg on the dividends received or capital gains realised on the sale of their units.

The Luxembourg Law of 21 June 2005, amended by the Law of 25 November 2014, transposed Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the “Savings Directive”). The aim of this Directive is to enable interest income paid to a beneficial owner who is an individual resident in a European Union country to be taxed in accordance with the laws of the Member State of residence of the beneficial owner.

This objective should be achieved via the exchange of information between European Union tax authorities. Luxembourg has decided to introduce the automatic exchange of information concerning distributions and redemption proceeds received as of 1<sup>st</sup> January 2015 for funds covered by the Directive including Candriam Quant.

It is recommended that shareholders familiarise themselves with and, if necessary, seek advice on the laws and regulations on taxation and exchange control applicable to the subscription, purchase, ownership and sale of shares in their place of origin, residence and/or domicile.

More specifically, it is recommended that potential shareholders seek advice from their tax advisers as to any tax impact arising under the terms of the Savings Directive on payment of interest generated both by dividend distributions and by capital gains realised when selling or converting shares in the SICAV.

## **24. CLOSURE, MERGER AND DEMERGER OF SUB-FUNDS, SHARE CLASSES OR SHARE TYPES – LIQUIDATION OF THE SICAV**

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### **24.1) Closure, cancellation and liquidation of sub-funds, share classes or share types**

The Board of Directors may decide to close, cancel or liquidate one or more sub-funds, share classes or share types by cancelling the shares in question either by repaying to the shareholders of the one or more sub-funds, share classes or share types the total net asset value of the shares in these one or more sub-funds, share classes or share types, after deducting the liquidation charges; or by allowing them to convert to another sub-fund of the SICAV, with no conversion charge, thereby allocating them new shares equal to the value of their previous holding, after deducting the liquidation charges.

This decision may notably be made in the following circumstances:

- substantial and unfavourable changes in the economic, political and social situation in the countries where either investments are made or shares in the sub-funds in question are distributed,
- if the net assets of a sub-fund were to fall below a level considered by the Board of Directors to be too low for that sub-fund to continue to be managed efficiently,
- within the context of rationalising the products offered to shareholders.

This decision of the Board of Directors will be published according to the information provided in

section 25.2 hereafter.

The net liquidation proceeds of each sub-fund will be distributed to the shareholders of each sub-fund proportionate to their holding.

The liquidation proceeds attributable to securities whose holders do not present themselves by the time the sub-fund closure procedure is complete will remain on deposit with the Caisse de Consignation in Luxembourg to the profit of the relevant beneficiary.

## **24.2) Merger of sub-funds, share classes or share types**

### **24.2.1) Merger of a class or type of share**

Under the circumstances indicated in 1 above, the Board of Directors may decide to merge one or more classes or types of shares of the SICAV.

This decision of the Board of Directors will be published according to the information provided in section 25.2 hereafter.

This publication will be made at least one month before the date the merger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares at no charge.

### **24.2.2) Merger of sub-funds**

Under the circumstances indicated above, the Board of Directors may decide to merge one or more sub-funds of the SICAV with other sub-funds of the SICAV or with another UCITS coming under Directive 2009/65/EC, based on the conditions set down in the Law.

Notwithstanding, for any merger giving rise to the disappearance of the SICAV, the taking effect of such merger will be decided by the General Meeting of shareholders deliberating in accordance with the methods and the quorum and majority requirements stated in the articles of association.

The SICAV will send the shareholders appropriate and accurate information about the proposed merger, so as to allow them to be fully informed and decide on the impact of this merger on their investment.

This information will be communicated based on the conditions set forth in the Law.

From the date this information is communicated, shareholders will have a period of 30 days during which they will have the right, at no costs other than those deducted by the SICAV to cover the divestment costs, to apply for the redemption or repayment of their shares or, where applicable, based on the decision of the Board of Directors, the conversion of their shares into shares of another sub-fund or another UCITS with a similar investment policy and managed by the Management Company or by any other company with which the Management Company is associated through a relationship of common management or common control or through a significant direct or indirect shareholding.

This 30-day period will expire five bank business days before the calculation date of the exchange parity.

## **24.3) Demerger of sub-funds, share classes or share types**

Under the same circumstances as those indicated above, the Board of Directors may also, if it



deems appropriate in the interests of the shareholders of a sub-fund, share class or share type, decide to divide this sub-fund, share class or share type into one or more sub-funds, share classes or share types.

This decision of the Board of Directors will be published according to the information provided in section 25.2 hereafter.

This publication will be made at least one month before the date the demerger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares at no charge.

#### **24.4) Liquidation of the SICAV**

If the share capital of the SICAV falls below two thirds of the minimum required capital, the Board of Directors must refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without conditions of attendance and ruling on the basis of a simple majority of the shares represented at the meeting.

If the share capital of the SICAV falls below one quarter of the minimum capital, the Board of Directors must refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without conditions of attendance. Winding-up may be declared by shareholders holding one quarter of the shares represented at the meeting.

The meeting invitation must be issued to shareholders in such way as to ensure that the meeting is held within forty days of finding that the net assets have fallen, respectively, below two-thirds or one-quarter of the minimum capital.

The liquidation of the SICAV, whether court-ordered or otherwise, will be carried out in accordance with the Law and the articles of association.

In the event of a non-court ordered liquidation, the process will be carried out by one or more liquidators who will be appointed by the general meeting of shareholders, which will determine their powers and remuneration.

The sums and amounts for shares whose holders do not come forward on completion of the liquidation proceedings will remain on deposit with the Caisse de Consignation for the relevant beneficiary.

## **25. NOTIFICATION OF SHAREHOLDERS**

### **25.1. Publication of the net asset value**

The net asset value per share of each sub-fund, together with issue, redemption and conversion prices, is published on evaluation date at the SICAV's registered office and provided to the financial services authorities in countries in which the SICAV is marketed.

### **25.2. Financial notices and other information**

Financial notices and other information for shareholders will be sent by mail to all registered shareholders at the address shown in the share register in accordance with the legislation in force. This information will also be published in the "Luxemburger Wort" if the legislation requires it.

They will also be published in the press of the countries where the shares of the SICAV are marketed, if stipulated by the legislation of these countries.

### **25.3. Financial year and reports to shareholders**

The financial year starts on 1<sup>st</sup> January and ends on 31 December of each year.

Every year, the SICAV publishes a detailed report on its activities and the management of its assets, including its balance sheet and consolidated profit and loss account expressed in EUR, a detailed breakdown of the assets of each sub-fund and the auditors' report.

In addition, after the end of each half-year, it publishes a report including in particular a breakdown of the portfolio, the number of shares outstanding and the number of shares issued and redeemed since the last publication date.

### **25.4. Auditors**

PricewaterhouseCoopers, Luxembourg is responsible for the auditing of the SICAV's accounts and annual reports.

### **25.5. Publicly available documents**

The SICAV's Prospectus, key investor information documents and its annual and semi-annual reports are available to the public, free of charge, on banking days and during normal office opening hours from the registered office of the SICAV.

The Prospectus is also available at: [www.candriam.com/prospectus](http://www.candriam.com/prospectus).

The articles of association and the other documents listed above are also available free of charge to the general public from the registered offices of the organisations responsible for the financial service in the countries where the SICAV is marketed.

# FACT SHEET

## Candriam Quant Equities EMU

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Shares in this sub-fund are aimed at investors seeking to diversify their investments over the long term while accepting the risk associated with fluctuations on the European markets, as set out in the sub-fund's investment policy.

### 1. Investment policy:

At least 75% of the assets of this sub-fund are invested in equity-type securities or investment certificates, to the extent that these qualify as transferable securities, of companies that have their registered office in a Member State of the eurozone that has entered into a tax treaty with France containing a clause regarding the provision of administrative assistance with a view to combating tax evasion and fraud. These securities will be officially listed on a stock exchange or traded on a regulated market.

The investment policy will emphasise the selection of individual securities, mainly on the basis of quantitative models. These models use a set of analysis criteria, such as valuation factors, growth and price and earnings trends, to generate recommendations to buy or sell securities making up the investment universe.

The sub-fund may also invest up to 10% of its assets in UCITS or other open-ended UCI.

The sub-fund may also, within the limits of the investment restrictions set out in the Prospectus, invest on an ancillary basis in financial instruments such as indexed futures, money market instruments, deposits, warrants and other securities of a similar type.

The sub-fund may hold cash on an ancillary basis.

In addition to the information set out above, the general provisions of the Prospectus apply to this sub-fund.

**Readers' attention is drawn to the fact that warrants and derivatives are more volatile than the underlying equities.**

### 2. Risk factors specific to the sub-fund and Risk Management

#### 2.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Model risk
- Liquidity risk
- Risk related to external factors

The general explanation of the various risk factors is given in Risk Factors of the Prospectus.

#### 2.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

### 3. Valuation currency of the sub-fund: EUR

**4. Share classes:**

- **Classique** class (capitalisation) denominated in EUR [LU0267558830]
- **Classique** class (distribution) denominated in EUR [LU0267559309]
- **I** class (capitalisation) denominated in EUR [LU0267559994]
- **N** class (capitalisation) denominated in EUR [LU0267559648]
- **V** class (capitalisation) denominated in EUR [LU0314878207]
- **Z** class (capitalisation) denominated in EUR [LU0267560497]

**5. Form of the shares:** registered shares only.

**6. Number of decimals:** the shares are divisible into thousandths (3 decimal places).

**7. Minimum subscription:**

- no minimum subscription is required for the Classique, Z and N classes;
- the minimum initial subscription for the I class is EUR 250,000. This minimum may be changed at the discretion of the Board of Directors provided that all shareholders are guaranteed equal treatment on a given valuation date.
- the minimum initial subscription for the V class is EUR 15,000,000. This minimum may be changed at the discretion of the Board of Directors provided that all shareholders are guaranteed equal treatment on a given valuation date.

**8. Fees and charges**

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 3.5%	0%	0%	Max. 1.50%	Max. 0.40%
I	0%	0%	0%	Max. 0.55%	Max. 0.33%
N	0%	0%	0%	Max. 2%	Max. 0.40%
V	0%	0%	0%	Max. 0.35%	Max. 0.33%
Z	0%	0%	0%	0%	Max. 0.33%

**9. Subscription and redemption payment dates:** two bank business days from the applicable valuation day.

**10. Frequency of net asset value calculation:** Each bank business day in Luxembourg (the “valuation date”).

**11. Listing on the Luxembourg Stock Exchange:** The shares are not listed on the Luxembourg stock exchange.

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# FACT SHEET

## Candriam Quant Equities Europe

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The R class capitalisation shares will be subscribed for the first time at the initial price 100 EUR per share.

Shares in this sub-fund are aimed at investors seeking to diversify their investments over the long term while accepting the risk associated with fluctuations on the European markets, as set out in the sub-fund's investment policy.

### 1. Investment policy:

At least 75% of the assets of this sub-fund will be invested in the equity-type securities of companies that have their registered office in a Member State of the European Economic Area that has entered into a tax treaty with France containing a clause regarding the provision of administrative assistance with a view to combating tax evasion and fraud. These securities will be admitted to trading on a stock exchange or traded on a regulated market.

Up to 25% of the assets of this sub-fund will also be invested in equity-type securities or investment certificates, to the extent that these qualify as transferable securities, of companies that have their registered office or carry out their primary economic activity in Europe, officially listed on a stock exchange or traded on a regulated market.

The investment policy will emphasise the selection of individual securities, mainly on the basis of quantitative models. These models use a set of analysis criteria, such as valuation factors, growth and price and earnings trends, to generate recommendations to buy or sell securities making up the investment universe.

The sub-fund may also invest up to 10% of its net assets in UCITS or other open-ended UCIs.

The sub-fund may also, within the limits of the investment restrictions set out in the Prospectus, invest on an ancillary basis in financial instruments such as indexed futures, money market instruments, deposits, warrants and other securities of a similar type. The sub-fund may hold cash on an ancillary basis.

In addition to the information set out above, the general provisions of the Prospectus apply to this sub-fund.

**Readers' attention is drawn to the fact that warrants and derivatives are more volatile than the underlying equities.**

### 2. Risk factors specific to the sub-fund and Risk Management

#### 2.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Model risk
- Exchange risk
- Liquidity risk
- Risk related to external factors

The general explanation of the various risk factors is given in Risk Factors of the Prospectus.

## 2.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

### 3. Valuation currency of the sub-fund: EUR

### 4. Share classes:

- **Classique** class (capitalisation) denominated in EUR [LU0149700378]
- **Classique** class (distribution) denominated in EUR [LU0163122822]
- **LOCK** class (capitalisation) denominated in EUR [LU0574804166]
- **I** class (capitalisation) denominated in EUR [LU0163124448]
- **N** class (capitalisation) denominated in EUR [LU0163123804]
- **R** class (capitalisation) denominated in EUR [LU0942290064]
- **V** class (capitalisation) denominated in EUR [LU0314874719]
- **Z** class (capitalisation) denominated in EUR [LU0235412037]

### 5. Form of the shares: registered shares only.

### 6. Number of decimals: the shares are divisible into thousandths (3 decimal places).

### 7. Minimum subscription:

- no minimum subscription is required for the Classique, LOCK, R, Z and N classes;
- the minimum initial subscription for the I class is EUR 250,000. This minimum may be changed at the discretion of the Board of Directors provided that all shareholders are guaranteed equal treatment on a given valuation date.
- the minimum initial subscription for the V class is EUR 15,000,000. This minimum may be changed at the discretion of the Board of Directors provided that all shareholders are guaranteed equal treatment on a given valuation date.

### 8. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 3.5%	0%	0%	Max. 1.50%	Max. 0.40%
I	0%	0%	0%	Max. 0.55%	Max. 0.33%
LOCK	Max. 3.5%	0%	0%	Max. 1.50%	Max. 0.40%
N	0%	0%	0%	Max. 2%	Max. 0.40%
R	Max. 3.5%	0%	0%	Max. 0.90%	Max. 0.40%
V	0%	0%	0%	Max. 0.35%	Max. 0.33%
Z	0%	0%	0%	0%	Max. 0.33%

**Specific fees associated with the LOCK class mechanism:** 0.10% per annum of the average net asset value This fee is payable at the end of each quarter.

### Performance fee:

The Management Company will receive a performance fee, which will be applied to the assets of I [LU0163124448] and V [LU0314874719] classes in the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below; the outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

On each class valuation date, a benchmark asset is established based on a theoretical investment at the MSCI Europe (NR) index performance rate of all the subscriptions received over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to shares in issue, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding figure is only payable to the Management Company in respect of the one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is a financial year.

- 9. Subscription and redemption payment dates:** two bank business days from the applicable valuation day.
- 10. Frequency of net asset value calculation:** Each bank business day in Luxembourg (the “valuation date”).
- 11. Listing on the Luxembourg Stock Exchange:** The shares are not listed on the Luxembourg stock exchange.

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This Fact Sheet forms an integral part of the Prospectus dated 2 April 2015.

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# FACT SHEET

## Candriam Quant Equities USA

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Shares in this sub-fund are aimed at investors seeking to diversify their investments over the long term while accepting the risk associated with fluctuations on the American market, as set out in the sub-fund's investment policy.

### 1. Investment policy:

This sub-fund's assets are mainly invested in equity-type securities issued by companies having their registered offices or carrying on their main business in the United States, and officially listed on a stock exchange or traded on a regulated market.

The investment policy will emphasise the selection of individual securities, mainly on the basis of quantitative models. These models use a set of analysis criteria, such as valuation factors, growth and price and earnings trends, to generate recommendations to buy or sell securities making up the investment universe.

The sub-fund may also invest up to 10% of its net assets in UCITS or other open-ended UCIs.

The sub-fund may also, within the limits of the investment restrictions set out in the Prospectus, invest on an ancillary basis in financial instruments such as indexed futures, money market instruments, deposits, warrants and other securities of a similar type. The sub-fund may hold cash on an ancillary basis.

In addition to the information set out above, the general provisions of the Prospectus apply to this sub-fund.

**Readers' attention is drawn to the fact that warrants and derivatives are more volatile than the underlying equities.**

### 2. Risk factors specific to the sub-fund and Risk Management

#### 2.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Model risk
- Liquidity risk
- Concentration risk
- Risk related to external factors

The general explanation of the various risk factors is given in Risk Factors of the Prospectus.

#### 2.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

### 3. Valuation currency of the sub-fund: USD

### 4. Share classes:



- **Classique** class (capitalisation) denominated in EUR, not hedged against the USD [LU0258895175]
- **Classique** class (capitalisation) denominated in EUR, hedged against the USD [LU0314874123]
- **Classique** class (capitalisation) denominated in USD [LU0163125924]
- **Classique** class (distribution) denominated in USD [LU0163126229]
- **LOCK** class (capitalisation) denominated in USD [LU0574804679]
- **I** class (capitalisation) denominated in EUR, not hedged against the USD [LU0258905156]
- **I** class (capitalisation) denominated in USD [LU0163127383]
- **I** class (capitalisation) denominated in EUR, hedged against the USD [LU0861998580]
- **N** class (capitalisation) denominated in EUR, not hedged against the USD [LU0258907871]
- **N** class (capitalisation) denominated in EUR, hedged against the USD [LU0284397253]
- **N** class (capitalisation) denominated in USD [LU0163126658]
- **R** class (capitalisation) denominated in USD [LU0942290221]
- **Z** class (capitalisation) denominated in USD [LU0235412201]
- **S** class (capitalisation) denominated in USD [LU0267604295]
- **V** class (capitalisation) denominated in USD [LU0314875369]

Investors in EUR-denominated share classes should be aware that their investments may entail a risk associated with fluctuations between the currency of the sub-fund (USD) and the currency of those classes (EUR).

**5. Form of the shares:** registered shares only.

**6. Number of decimals:** the shares are divisible into thousandths (3 decimal places).

**7. Minimum subscription:**

- no minimum subscription is required for the Classique, LOCK, R, Z, S and N classes;
- the minimum initial subscription for the I class is USD 250,000. This minimum may be changed at the discretion of the Board of Directors provided that all shareholders are guaranteed equal treatment on a given valuation date.
- the minimum initial subscription for the V class is USD 15,000,000. This minimum may be changed at the discretion of the Board of Directors provided that all shareholders are guaranteed equal treatment on a given valuation date.

**8. Fees and charges**

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 3.5%	0%	0%	Max. 1.50%	Max. 0.40%
I	0%	0%	0%	Max. 0.55%	Max. 0.23%
LOCK	Max. 3.5%	0%	0%	Max. 1.50%	Max. 0.40%
N	0%	0%	0%	Max. 2%	Max. 0.40%
R	Max. 3.5%	0%	0%	Max. 0.90%	Max. 0.40%
S	0%	0%	0%	Max. 0.75%	Max. 0.23%
V	0%	0%	0%	Max. 0.35%	Max. 0.23%
Z	0%	0%	0%	0%	Max. 0.23%

**Specific fees associated with the LOCK class mechanism:** 0.10% per annum of the average net asset value This fee is payable at the end of each quarter.

**Performance fee:**

The Management Company will receive a performance fee, which will be applied to the assets of I [LU0163127383], [LU0861998580], [LU0258905156] and V [LU0314875369] classes in the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below; the outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

On each class valuation date, a benchmark asset is established based on a theoretical investment corresponding to the performance of the S&P 500 (NR) (S&P 500 Hedged in EUR (NR) index for class I denominated in EUR, hedged against the USD of all subscriptions received over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to shares in issue, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding figure is only payable to the Management Company in respect of the one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is a financial year.

- 9. Subscription and redemption payment dates:** two bank business days from the applicable valuation day
- 10. Frequency of net asset value calculation:** Each bank business day in Luxembourg (the “valuation date”)
- 11. Listing on the Luxembourg Stock Exchange:** The shares are not listed on the Luxembourg stock exchange.

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This Fact Sheet forms an integral part of the Prospectus dated 2 April 2015.

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# FACT SHEET

## Candriam Quant Equities World

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Shares in this sub-fund are aimed at investors seeking to diversify their investments over the long term while accepting the risk associated with fluctuations on global markets, as set out in the sub-fund's investment policy.

### 1. Investment policy:

The assets of this sub-fund are invested primarily in the equity-type securities of companies operating in any business sector, are globally diversified and are officially listed on a stock exchange or traded on a regulated market. The investment policy will emphasise the selection of individual securities, on the basis of quantitative models. These models use a set of analysis criteria, such as valuation factors, growth and price and earnings trends, to generate recommendations to buy or sell securities making up the investment universe.

The sub-fund may also invest up to 10% of its assets in UCITS or other open-ended UCI.

The sub-fund may also, within the limits of the investment restrictions set out in the Prospectus, invest on an ancillary basis in financial instruments such as indexed futures, money market instruments, deposits, warrants and other securities of a similar type. The sub-fund may hold cash on an ancillary basis.

In addition to the information set out above, the general provisions of the Prospectus apply to this sub-fund.

**Readers' attention is drawn to the fact that warrants and derivatives are more volatile than the underlying equities.**

### 2. Risk factors specific to the sub-fund and Risk Management

#### 2.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Model risk
- Exchange risk
- Liquidity risk
- Risk related to external factors

The general explanation of the various risk factors is given in Risk Factors of the Prospectus.

#### 2.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

### 3. Valuation currency of the sub-fund: EUR

### 4. Share classes:

- **Classique** class (capitalisation) denominated in EUR [LU0235267860]
- **Classique** class (distribution) denominated in EUR [LU0235268082]
- **I** class (capitalisation) denominated in EUR [LU0235268595]
- **N** class (capitalisation) denominated in EUR [LU0235268249]
- **R** class (capitalisation) denominated in EUR [LU0942290494]
- **V** class (capitalisation) denominated in EUR [LU0314875872]
- **Z** class (capitalisation) denominated in EUR [LU0235268751]

5. **Form of the shares:** registered shares only.

6. **Number of decimals:** the shares are divisible into thousandths (3 decimal places).

7. **Minimum subscription:**

- no minimum subscription is required for the Classique, R, Z and N classes;
- the minimum initial subscription for the I class is EUR 250,000. This minimum may be changed at the discretion of the Board of Directors provided that all shareholders are guaranteed equal treatment on a given valuation date.
- the minimum initial subscription for the V class is EUR 15,000,000. This minimum may be changed at the discretion of the Board of Directors provided that all shareholders are guaranteed equal treatment on a given valuation date.

8. **Fees and charges**

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 3.5%	0%	0%	Max. 1.50%	Max. 0.40%
I	0%	0%	0%	Max. 0.55%	Max. 0.33%
N	0%	0%	0%	Max. 2%	Max. 0.40%
R	Max. 3.5%	0%	0%	Max. 0.90%	Max. 0.40%
V	0%	0%	0%	Max. 0.35%	Max. 0.33%
Z	0%	0%	0%	0%	Max. 0.33%

**Performance fee:**

The Management Company will receive a performance fee, which will be applied to the assets of I [LU0235268595] and V [LU0314875872] classes in the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below; the outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

On each class valuation date, a benchmark asset is established based on a theoretical investment at the MSCI World (NR) index performance rate of all the subscriptions received over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion

to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to shares in issue, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding figure is only payable to the Management Company in respect of the one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is a financial year.

**9. Subscription and redemption payment dates:** two bank business days from the applicable valuation day.

**10. Frequency of net asset value calculation:** Each bank business day in Luxembourg (the “valuation date”).

**11. Listing on the Luxembourg Stock Exchange:** The shares are not listed on the Luxembourg stock exchange.

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