

PROSPER FUNDS SICAV

Open-ended SICAV

PROSPECTUS
January 2022

PROSPER FUNDS SICAV
Open-ended SICAV
R.C.S Luxembourg N° B 150045

Registered office	12, Rue Eugène Ruppert L-2453 Luxembourg
Board of Directors	
Chairman	Sophie MOSNIER Independent director
Directors	Antonio TRICARICO Attaché de Direction, Degroof Petercam Asset Services Thierry ROBIN Director, Prosper Professional Services SA, Geneva
Management Company	DEGROOF PETERCAM ASSET SERVICES S.A. 12, Rue Eugène Ruppert L-2453 Luxembourg
Manager of the Prosper Stars & Stripes Fund sub-fund	ROUBAIX CAPITAL LLC 1401 17 th Street, Suite 1150 Denver 80202 USA
Manager of the Global Macro Fund sub-fund	PLURIMI WEALTH LLP 11 Waterloo Place London SW1Y 4AU
Foreign Exchange Risk Manager of the Prosper Stars & Stripes Fund sub-fund	DEGROOF PETERCAM ASSET SERVICES S.A. 12, Rue Eugène Ruppert L-2453 Luxembourg
Foreign Exchange Risk Manager for the Global Macro Fund sub-fund	PLURIMI WEALTH LLP 11 Waterloo Place London SW1Y 4AU

Global distributor	PROSPER PROFESSIONAL SERVICES SA 8, rue Muzy CH-1207 Geneva
Custodian	BANQUE DEGROOF PETERCAM LUXEMBOURG S.A. 12, Rue Eugène Ruppert L-2453 Luxembourg
Domiciliary Agent, Administrative Agent, Transfer Agent and Registrar	DEGROOF PETERCAM ASSET SERVICES S.A. 12, Rue Eugène Ruppert L-2453 Luxembourg
Statutory Auditor	PRICEWATERHOUSECOOPERS S.À R.L. 2, rue Gerhard Mercator L-2182 Luxembourg

NOTICE

PROSPER FUNDS SICAV (hereinafter the “SICAV”) is listed on the official list of Undertakings for Collective Investment “UCIs” in accordance with the Law of 17 December 2010 on UCIs, as amended (hereinafter the “Law of 2010”). This listing should not, under any circumstances or in any way whatsoever, be considered as a positive appraisal by the Commission de Surveillance du Secteur Financier (“CSSF”) as to the quality of the shares offered for sale.

The Board of Directors of the SICAV (hereinafter the “Board of Directors”) has taken all possible precautions to ensure that the facts set out in the Prospectus are accurate and precise and that there were no material facts whose omission may render inaccurate any of the statements referred to herein.

The Board of Directors accepts responsibility for the accuracy of the information contained in the Prospectus as at the date of its publication. Accordingly, any information or statement not contained in the Prospectus, in the appendices to the Prospectus, or in the reports that form an integral part of it, should be regarded as unauthorised.

This Prospectus may be updated. Potential subscribers are therefore requested to inquire with the SICAV as to the publication of any more recent Prospectuses.

The SICAV is authorised as an undertaking for collective investment in transferable securities (“UCITS”) in Luxembourg. The Prospectus may not be used for the purpose of public offer or solicitation for sale in any other country or in any circumstances in which such an offer or solicitation is not permitted. Potential subscribers who receive a copy of the Prospectus or of the subscription form in a country other than those described above may not consider such documents to be an invitation to purchase or subscribe to the shares unless such an invitation is fully legal in the country concerned and may take place without any registration or other procedure, or unless the person concerned obtains all the governmental or other authorisations that may be required in order to comply with the local legislation, and fulfils any other applicable formality. It is necessary to verify before any subscription in which country or countries the SICAV is registered, and more specifically which sub-funds, categories or classes of shares are authorised for sale, as well as any legal constraints and exchange restrictions relating to the subscription, purchase, possession or sale of shares of the SICAV.

No action under the US Investment Company Act of 1940 (“Investment Company Act”), its amendments or any other law relating to transferable securities has been undertaken to register the SICAV or its securities with the US Securities and Exchange Commission. Accordingly, this Prospectus may not be introduced, transmitted or distributed in the United States of America or its territories or possessions, and delivered to a “US Person” as defined in Regulation S of the Securities Act of 1933 (“Regulation S of the US Securities Act of 1933”, as amended), except in the framework of transactions exempt from registration under the Securities Act of 1933. Failure to comply with these restrictions may constitute a violation of US securities laws.

The shares of the SICAV may not be offered or sold to “US Persons” or to persons who may not be legally entitled to do so or to whom solicitation for sale is illegal (hereinafter “unauthorised persons”).

The Board of Directors will require the immediate redemption of shares purchased or held by unauthorised persons, including investors who become unauthorised persons after the securities have been acquired.

Investors are required to notify the SICAV and/or the Transfer Agent and Registrar (i) if they become unauthorised persons, or (ii) if they hold shares in the SICAV in violation of legal/regulatory provisions, of

the Prospectus or the Articles of Association of the SICAV, or (iii) of any circumstances which may entail adverse tax or legal/regulatory consequences for the SICAV or the shareholders or which may otherwise be adverse to the interests of the SICAV or the other shareholders.

The SICAV draws investors' attention to the fact that an investor can only fully exercise his rights directly against the SICAV, in particular the right to participate in General Meetings of Shareholders, if he is listed in the SICAV's register of shareholders. In cases where an investor invests in the SICAV through an intermediary investing in the SICAV in its name but on behalf of the investor, certain rights attached to the status of shareholder may not necessarily be exercisable by the investor directly vis-à-vis the SICAV. Investors are recommended to obtain information on their rights.

Investments in the SICAV involve risks, including those related to the equity and bond markets, currency exchange rates and volatility in interest rates. There is no guarantee that the investment objectives of the SICAV will be achieved. The value of the capital and income from investments of the SICAV is subject to fluctuation and investors may not get back the amount originally invested. In addition, past performance is not indicative of future results.

Before investing in the SICAV or in case of doubt about the risks associated with an investment in the SICAV or the suitability of a sub-fund about the risk of the investor with regard to his personal situation, investors are invited to consult their own financial, legal and tax advisors in order to determine whether an investment in the SICAV is appropriate for them and to request their assistance in order to be fully informed with regard to any legal or fiscal consequences and any repercussions concerning exchange restrictions or controls that may result from the subscription, holding, redemption, conversion or transfer of shares under the laws in force in their country of residence, domicile or place of establishment.

Any reference in this Prospectus to:

- "Euro" or "EUR" refers to the currency of the member countries of the European Union participating in the single currency.
- "CHF" refers to the currency with legal tender in Switzerland.
- "USD" refers to the currency with legal tender in the United States of America.
- "GBP" refers to the currency with legal tender in the United Kingdom.
- "Business Day" refers to a full day when banks are open in Luxembourg.

Copies of the Prospectus are available under the conditions described above, at the head office of the SICAV.

Use of personal data

In accordance with the provisions of the data protection act applicable in the Grand Duchy of Luxembourg, and Regulation No. 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data applicable since 25 May 2018 (the “**Data Protection Act**”), the SICAV, acting as data controller, gathers, stores and processes, electronically or otherwise, data provided by investors for the purposes of providing the services required by investors and complying with its legal and regulatory obligations. The data processed includes in particular the name, contact details (including postal or e-mail address), bank details and the amount invested by each investor (or, where the investor is a legal person, the data of its contact persons and/or owner(s)) (“**Personal Data**”).

Investors may, at their discretion, refuse to disclose their Personal Data to the SICAV. In this case, however, the Fund may reject a subscription application.

In accordance with the conditions set out in the Data Protection Act, each investor has the right:

- to access their Personal Data;
- to request that their Personal Data be corrected if they are inaccurate or incomplete;
- to oppose the processing of their Personal Data;
- to request the deletion of their Personal Data;
- to request that their Personal Data be transferred.

Each investor may exercise the above rights by writing to the registered office of the Fund.

Investors also acknowledge the existence of their right to file a complaint with a data protection supervisory authority.

The Personal Data provided by investors is processed in particular in order to process subscriptions, redemptions and conversions of shares and the payment of distributions to investors, account management, client relationship management, tax identification required by Luxembourg or foreign laws and regulations (including laws and regulations relating to CRS/FATCA) and compliance with applicable anti-money laundering rules. Personal Data provided by investors are also processed for the purpose of keeping the SICAV’s shareholder register up to date. In addition, Personal Data may also be processed for commercial purposes. All investors have the right to object to the use of their personal data for commercial purposes by notifying the SICAV’s registered office in writing of their refusal.

To this end, Personal Data may be transferred to affiliated entities and third parties supporting the activities of the Fund, including the Management Company, the Manager, the Distributors, the Custodian, the Statutory Auditor and/or any other agent of the Fund, acting collectively as sub-contractors (the “**Sub-contractors**”).

Sub-contractors are located in the European Union or Switzerland. The SICAV may transfer Personal Data to third parties such as governmental or regulatory agencies, including tax authorities, inside or outside the European Union, in accordance with applicable laws and regulations. In particular, such personal data may be disclosed to the Luxembourg tax authorities, which, in turn, as data controller, may disclose them to foreign tax authorities.

Personal data will not be stored longer than necessary for the purposes of data processing, subject to the applicable legal retention periods provided for by law.

By subscribing to shares in the SICAV, each investor agrees to the processing of his personal data.

The shares in the various sub-funds are subscribed on the basis of the information contained in the key investor information document (the KIID). The KIID is a pre-contractual document that contains key information for investors. It includes appropriate information about the essential characteristics of each share class in a particular sub-fund.

If you plan to subscribe to shares, you should first carefully read the KIID, the Prospectus and its annexes, if applicable, which contain specific information about the investment policies of the various sub-funds. You should also read the latest annual and half-yearly reports published by the SICAV, copies of which are available on the website www.prosperfunds.ch, from local agents or entities retailing the shares in the SICAV. On request, free copies of the document can be obtained from the SICAV's head office.

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I. GENERAL DESCRIPTION

PROSPER FUNDS SICAV is a Société d'Investissement à Capital Variable ("SICAV") umbrella fund incorporated under Luxembourg law in Luxembourg on 11 December 2009 in the form of a Société Anonyme (public limited company) for an indefinite period.

The SICAV is subject, in particular, to Part I of the Law of 2010 and the Law of 10 August 1915 on commercial companies, as amended.

The minimum capital of the SICAV is EUR 1,250,000 (one million two hundred and fifty thousand euros), which must be reached within six months from the date of approval of the SICAV. The capital of the SICAV will at all times be equal to the sum of the net asset value of all sub-funds of the SICAV and is represented by fully paid-up shares with no par value.

Changes in capital occur automatically and without the measures prescribed for increases/decreases of capital by limited liability companies with respect to publicity and registration in the Register of Commerce and Companies of Luxembourg.

The Articles of Association of the SICAV (hereinafter the "Articles of Association") were published in "Mémorial C, Recueil des Sociétés et Associations" on 29 December 2009 and were filed with the Luxembourg Court Registry. They may be consulted electronically on the website of the Registre de Commerce et des Sociétés (Commercial Register) in Luxembourg (www.lbr.lu). Copies of the Articles of Association are also available on request and free of charge at the registered office of the SICAV and can be consulted on the www.fundsquare.net website.

The SICAV has been registered in the Registre de Commerce et des Sociétés (Commercial Register) in Luxembourg with the number B 150 045.

The SICAV may consist of different sub-funds, each representing a pool of specific assets and liabilities, and each corresponding to a separate investment policy and reference currency specific to it.

Within each sub-fund, the shares may be different classes of shares and within these classes, the shares may be of different categories.

The SICAV is therefore designed to be an umbrella fund UCI which enables investors to choose between one sub-fund or another whose management strategy best corresponds to their objectives and their profile.

On the date of the Prospectus, the following sub-funds are available to investors:

- PROSPER FUNDS SICAV – Prosper Stars & Stripes Fund (hereinafter referred to as "Prosper Stars & Stripes Fund")
- PROSPER FUNDS SICAV – Global Macro Fund (hereinafter referred to as "Global Macro Fund")

The Board of Directors may decide to create new sub-funds. Therefore, the Prospectus will be amended accordingly and will contain detailed information on these new sub-funds, including the investment policy and terms of sale.

In each sub-fund, the Board of Directors may decide at any time to issue different classes of shares ("share classes" or "classes"), the assets of which will be jointly invested in accordance with the specific investment

policy of the sub-fund in question, but will be subject to a specific fee structure or will have other distinctive characteristics for each class.

The complete definition of the share classes is included in Chapter IV “The Shares”, section 2. “Characteristics of the Shares”, point (a) “Classes and categories of shares”.

In each sub-fund and/or share class, the Board of Directors may also decide at any time to issue two categories of shares (“share categories” or “categories”) which will differ according to their distribution policy:

- The category “distribution shares”, corresponding to the distribution shares that will entitle the holder to a dividend
- The category “capitalisation shares”, corresponding to the capitalisation shares that will not entitle the holder to a dividend

At the date of the Prospectus, the sub-fund only offers capitalisation shares.

The amount of the SICAV’s share capital at any time will be equal to the value of the net assets of all the combined sub-funds. The capital of the SICAV will be expressed in euro.

Each shareholder may request the redemption of shares by the SICAV, subject to the terms and conditions set out below under Chapter IV “The Shares”, section 4. “Redemption of shares”

The SICAV is a sole and single legal entity vis-à-vis third parties. The assets of a given sub-fund only cover the debts, liabilities and commitments of that sub-fund. With regard to relations between shareholders, each sub-fund is treated as a separate entity.

The sub-fund’s shares are not admitted to trading on the official list of the Luxembourg Stock Exchange.

II. MANAGEMENT, ADMINISTRATION AND DISTRIBUTION

1. BOARD OF DIRECTORS

The Board of Directors has full powers to act in all circumstances, in the name of the SICAV, subject to the powers expressly granted by Luxembourg law to the General Meeting of Shareholders.

The Board of Directors is responsible for the administration and management of the assets of each sub-fund of the SICAV. It may perform all acts of management and administration on behalf of the SICAV, including the purchase, sale, subscription or exchange of all securities and exercise all rights directly or indirectly attached to the assets of the SICAV.

2. MANAGEMENT COMPANY

The Board of Directors has appointed, under its responsibility and control, **Degroof Petercam Asset Services S.A** ("DPAS") as the management company of the SICAV (hereinafter the "Management Company").

Degroof Petercam Asset Services S.A. is a public limited company incorporated under the laws of Luxembourg, set up for an unlimited period in Luxembourg on 20 December 2004. Its registered office is at 12, Rue Eugène Ruppert, L-2453 Luxembourg. Its subscribed and paid-up share capital is EUR 2,000,000.

Its Supervisory Board is composed of the following persons:

Bruno HOUDMONT
Annemarie ARENS
Gautier BATAILLE
Frédéric WAGNER
Peter De Coensel

Its Management Board is composed of the following persons:

Sylvie HURET
Sandra REISER
Frank VAN EYLEN
France COLAS

DPAS is governed by Chapter 15 of the Law of 2010 and, as such, is responsible for the collective management of the SICAV portfolio. This activity covers, in accordance with Annex II of the Law of 2010, the following tasks:

(I) portfolio management. In this context, DPAS can:

- provide all advice and recommendations as to investments to be made,
- enter into contracts, buy, sell, exchange and deliver all transferable securities and any other assets,
- exercise, on behalf of the SICAV, all voting rights attached to the securities constituting the assets of the SICAV.

(II) Administration, including:

- a) the legal and accounting services of the SICAV,
- b) follow-up of clients' requests for information,
- c) portfolio valuation and determination of the value of the shares of the SICAV (including tax aspects),
- d) verification of compliance with regulations,
- e) keeping of the register of shareholders of the SICAV,
- f) distribution of the income of the SICAV,
- g) issue and redemption of shares of the SICAV (i.e. activity of Transfer Agent),
- h) settlement of agreements (including certificate dispatch),
- i) registration and records of transactions,

(III) sale of shares of the SICAV.

In accordance with the laws and regulations in force and with the prior approval of the Board of Directors of the SICAV, DGI is authorised to delegate, at its own expense, its functions and powers or any part thereof to any person or company it deems appropriate (hereinafter “delegate(s)”), provided that the Prospectus is updated in advance and DGI retains full responsibility for the actions of such delegate(s).

The management and distribution functions of the SICAV are currently delegated.

3. **MANAGERS**

The Management Company has delegated management of the **Prosper Stars & Stripes Fund** sub-fund to Roubaix Capital, LLC.

To this end, a management agreement has been entered into between the Management Company and Roubaix Capital, LLC for an unlimited period. Under the terms of this agreement, Roubaix Capital, LLC provides day-to-day management of the portfolio assets of the **Prosper Stars & Stripes Fund** sub-fund.

Roubaix Capital, LLC, with its registered office at 2711 Centerville Rd, Suite 400, Wilmington, DE 19808, USA and its principal place of business at 1400 16th Street, Suite 520, Denver, CO 80202, USA primarily provides advisory and management services to investment vehicles. Its regulator is the U.S. Securities and Exchange Commission (SEC), Washington.

The Management Company has delegated management of the **Global Macro Fund** sub-fund to Plurimi Wealth LLP.

To this end, a management agreement has been entered into between the Management Company and Plurimi Wealth LLP for an unlimited period. Under the terms of this agreement, Plurimi Wealth LLP provides day-to-day management of the portfolio assets of the **Global Macro Fund** sub-fund.

Plurimi Wealth LLP, whose registered office is at 11 Waterloo Place, London SW1Y 4AU was incorporated on 17 March 2007 and has been regulated by the UK financial control authority (the Financial Conduct Authority) for management of investment funds since 1 October 2007.

4. **GLOBAL DISTRIBUTOR**

The Management Company has delegated the management of the SICAV to Prosper Professional Services SA.

To this end, a global distributor agreement has been entered into between the Management Company and Prosper Professional Services SA for an unlimited period. Under the terms of this agreement, Prosper Professional Services SA is responsible for the distribution of the SICAV.

5. **FOREIGN EXCHANGE RISK MANAGER**

To manage the currency risk for the share classes of the Prosper Stars & Stripes Fund sub-fund denominated in EUR, CHF and GBP, the Board of Directors has decided to appoint Degroof Petercam

Asset Services S.A. as Foreign Exchange Risk Manager (hereinafter referred to as the “Foreign Exchange Risk Manager”).

To this end, a foreign exchange risk management agreement has been entered into between the SICAV, the Manager of the **Prosper Stars & Stripes Fund** sub-fund and the Foreign Exchange Risk Manager for an indefinite period. Under the terms of this agreement, the Foreign Exchange Risk Manager will apply a management technique designed to best hedge said share classes against the foreign exchange risk of the currencies held in the portfolio. The exchange hedging technique used consists of a periodic roll-over of forward foreign exchange contracts.

To manage the currency risk for the share classes of the **Global Macro Fund** sub-fund denominated in USD, GBP and CHF, the Board of Directors has decided to appoint Plurimi Wealth LLP as Foreign Exchange Risk Manager (hereinafter referred to as the “Foreign Exchange Risk Manager”).

To this end, a foreign exchange risk management agreement has been entered into between the SICAV, the Management Company and the Foreign Exchange Risk Manager for an indefinite period. Under the terms of this agreement, the Foreign Exchange Risk Manager will apply a management technique designed to best hedge said share classes against the foreign exchange risk of the currencies held in the portfolio. The exchange hedging technique used consists of a periodic roll-over of forward foreign exchange contracts.

6. CUSTODIAN BANK AND PAYING AGENT

Banque Degroof Petercam Luxembourg S.A. was appointed as the SICAV’s Custodian (hereinafter the “Custodian”) within the meaning of Article 33 of the Law of 2010.

Banque Degroof Petercam Luxembourg S.A. is a Luxembourg registered public limited liability company. It was set up in Luxembourg on 29 January 1987 for an unlimited duration with the name Banque Degroof Luxembourg S.A. It has its registered office at 12 Rue Eugène Ruppert, L-2453 Luxembourg, and has carried out banking business since it was formed.

The Custodian performs its duties pursuant to a custodian agreement concluded for an indefinite period between Banque Degroof Petercam Luxembourg S.A. and the SICAV.

Under the terms of that agreement, Banque Degroof Petercam Luxembourg S.A. also acts as a Paying Agent for the financial service relating to the SICAV’s shares.

The Custodian shall fulfil the obligations and duties set out under the laws of Luxembourg and, in particular, the missions stipulated in articles 33 to 37 of the Law of 2010.

The Custodian should act honestly, fairly, professionally, independently and in the interest of the SICAV and of the shareholders of the SICAV only.

The Custodian shall not carry out activities with regard to the SICAV or the management company acting on behalf of the SICAV that may create conflicts of interest between the SICAV, the shareholders, the management company and itself. An interest is a source of incentive of any nature whatsoever and a conflict of interest is a situation in which the Custodian’s interests, when carrying out its activities, are not in line with those of the SICAV, the shareholders and/or the management company.

The Custodian may provide a number of banking services for the SICAV, either directly or indirectly, in addition to its custodian services, in the strict meaning of the term.

The provision of additional services, and capital links between the Custodian and some of the SICAV's partners, may lead to conflicts of interest between the SICAV and the Custodian.

Situations that may potentially lead to conflicts of interest for the Custodian in the exercise of its activities include the following:

- if the Custodian is likely to make a financial gain or avoid a financial loss at the expense of the SICAV;
- if the Custodian's interest in exercising its activities is not in line with the interest of the SICAV;
- if the Custodian, motivated by financial or other reasons, puts a client's interests before those of the SICAV;
- If the Custodian receives or will receive a benefit for exercising its activities, in addition to its normal fees, from a counterparty other than the SICAV.
- If certain employees of Banque Degroof Petercam Luxembourg S.A. are members of the Board of Directors of the SICAV;
- If the Custodian and the management company are directly or indirectly linked to Banque Degroof Petercam S.A. and if certain employees of Banque Degroof Petercam Luxembourg S.A. are members of the Board of Directors of the management company;
-
- If the Custodian employs delegates and sub-delegates to perform its duties;
- If the Custodian provides a number of banking services for the SICAV in addition to its custodian services.

The Custodian may exercise this type of activity provided that it has separated, according to function and hierarchy, its Custodian duties and its other tasks that could give rise to a potential conflict of interests and if the potential conflicts of interest have been duly detected, managed, monitored and notified to the SICAV's shareholders.

The Custodian has implemented procedures and measures on conflicts of interest to mitigate, identify, prevent and ease potential conflicts of interest, to ensure, in particular, that in the event of a conflict of interest, the Custodian's interest is not unjustly favoured.

To that end:

- Banque Degroof Petercam Luxembourg S.A. employees who are members of the Board of Directors of the SICAV shall not participate in the management of the SICAV. This duty shall continue to be the responsibility of the management company, which will either perform or delegate the task, in accordance with its own procedures and employee rules and code of conduct;
- no Banque Degroof Petercam Luxembourg S.A. employee performing or participating in safekeeping, surveillance and/or monitoring of cash flow duties may be a member of the Board of Directors of the SICAV;

The Custodian publishes the list of agents and sub-agents it uses on the following website:
<https://www.degroofpetercam.lu/fr/protection-de-linvestisseur>.

The Custodian's selection and management of sub-delegates complies with the Law of 2010. The Custodian shall manage any conflicts of interest that may arise with its sub-delegates.

If a potential conflict of interest arises with the Custodian, despite the measures put in place to mitigate, identify, prevent and ease them, the Custodian must comply with its legal and contractual obligations to the SICAV at all times. If a conflict of interest is likely to have a significant adverse effect on the SICAV or the

shareholders of the SICAV and cannot be resolved, the Custodian shall duly inform the SICAV, which will take appropriate action.

The shareholders can obtain up-to-date information about the Custodian on request.

7. DOMICILIARY AGENT, ADMINISTRATIVE AGENT, TRANSFER AGENT AND REGISTRAR

The Management Company acts as Domiciliary Agent, Administrative Agent and Registrar and Transfer Agent of the SICAV. As such, it assumes the administrative functions required by Luxembourg Law, such as keeping the accounts and company books, including the shareholders' register. It shall also take charge of the periodical calculation of the net asset value per share in each sub-fund and in each class/category, if applicable.

8. MONITORING OF THE SICAV'S OPERATIONS

The audit of the SICAV's accounts and the annual reports is entrusted to **PricewaterhouseCoopers S.à r.l.** in its capacity as auditor of the SICAV.

III. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

1. GENERAL PROVISIONS

a) Objectives of the SICAV

The SICAV seeks, as a primary objective, the preservation of capital in real terms and the long-term growth of the assets of each sub-fund.

The SICAV's objective is to offer shareholders the opportunity to take part in the professional, active management of diversified portfolios of eligible financial assets. The portfolio of each sub-fund is managed in accordance with the investment policy for each sub-fund as defined in section 2. "Investment Objectives and Policies, Risk Profile And Investor Profile of the different sub-funds" and reflects the investment style and beliefs of its manager(s) and/or investment advisor(s).

b) Investment Policy of the SICAV

The SICAV mainly expects to fulfil this objective through the active management of the eligible financial asset portfolios. In accordance with the conditions and limits contained in sections 3-5 above, and in accordance with the investment policy for each sub-fund as defined below, the eligible financial assets may consist, in particular, of securities, money market instruments, shares or units in UCITS and/or UCI, bank deposits and/or derivatives without, however, excluding other eligible assets.

Each sub-fund may (a) invest in derivatives with a view to realising the investment objectives and for the purposes of hedging and effective portfolio management, and (b) use techniques and instruments related to the securities and money market instruments with a view to effective portfolio management, under the terms and conditions laid down by law, regulations and administrative practice, in accordance with the restrictions mentioned in sections 2-5 below.

The investment policy of each sub-fund of the SICAV will be differentiated depending on the type and proportion of eligible financial assets and/or in terms of the geographical, industrial or sector diversification.

c) Risk Profile of the SICAV

The risks specific to each sub-fund and their management objective are described more fully in the investment policy for each sub-fund.

The assets of each sub-fund are subject to fluctuations on the financial markets and the risks inherent in any investment in financial assets.

Therefore, there can be no guarantee that the SICAV's objectives will be met and that the investors will recover the amount of their initial investment.

The conditions and limits set out in sections 3-5 below are therefore aimed at ensuring the diversification of portfolios to control and reduce these risks without, however, excluding them.

Investments made by the SICAV in units of UCIs expose the SICAV to risks arising from the financial instruments that these UCIs hold in their portfolios. Some risks are, however, specific to the holding by the SICAV of UCI shares/units. Some UCIs may have recourse to leverage effects either by using derivative instruments or by borrowing. The use of leverage effects increases the price volatility of these UCIs and therefore the risk of the loss of capital. Investments made in shares/units of UCIs may also present a liquidity risk which is higher than that associated with investing directly in a portfolio of transferable securities. On the other hand, investing in shares/units of UCIs allows the SICAV to gain flexible and efficient access to various professional management styles and to diversify its investments.

If a sub-fund invests primarily through UCIs it must ensure that its UCI portfolio has the appropriate liquidity characteristics to allow it to meet its own redemption obligations. The method for selecting target UCIs will take into account the frequency of redemption in such UCIs and the portfolio of such a sub-fund will be composed mainly of UCIs open to redemptions at a frequency identical to that of the sub-fund concerned.

It should be noted that the activity of a UCI or a sub-fund that invests in other UCIs may result in the duplication of certain costs. Any expenses incurred by a sub-fund of the SICAV may, as a result of the investment in UCIs, be duplicated.

Risks associated with equity investments and other equity-equivalent securities include, but are not limited to, fluctuations in prices, prolonged price declines as a function of general economic and political circumstances or the circumstances of each issuer, or even the loss of the capital invested in the financial asset in the event of issuer default (market risk).

It should be noted that certain warrants, as well as options, although likely to generate greater gains than equities through their leverage, are characterised by significantly higher price volatility relative to the price of the underlying asset or the underlying financial index. It is also possible that these instruments may lose all of their value.

Investing in convertible bonds has a sensitivity to the fluctuations in the prices of the underlying equities ("equity component" of the convertible bond) while offering some form of protection of some of the capital ("bond floor" of the convertible bond). The higher the equity component, the weaker the capital protection will be. As a consequence a convertible bond that has experienced a significant rise in its market value as a

result of the rise in price of the underlying equity will have a risk profile which is closer to that of a share. On the other hand, a convertible bond that has experienced a fall in its market value to its bond floor as a result of the fall in price of the underlying share will have from this level a risk profile close to that of a conventional bond.

Convertible bonds, like other types of bonds, are subject to the risk that the issuer may not be able to meet its obligations in terms of the payment of interest and/or redemption of the capital on maturity (credit risk). The perception by the market of the increase in the probability of occurrence of this risk for a given issuer results in a sometimes considerable fall in the market value of the bond and therefore the protection offered by the bond content of the convertible bond. Bonds are also exposed to the risk of a fall in market value following a rise in the reference interest rates (interest rate risk).

Investment in contingent convertible bonds could result in significant losses due to certain triggering events. The occurrence of these triggering events creates a different type of risk than conventional bonds and may be more likely to result in a partial or total loss of value or, alternatively, they may be converted into shares of the issuing company that may also have suffered a loss in value. These triggering events may include a reduction in the issuers' capital ratio, a determination by a regulator or a capital injection by a national authority. Investors should be aware that in the event of a financial crisis, measures taken by regulators or companies themselves may lead to concentrations of these triggering events.

Some contingent convertible bonds are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority. It cannot be assumed that perpetual contingent convertible bonds will be called on the call date.

Some contingent convertible bonds are a form of permanent capital. The investor's capital may not be repaid as scheduled on the call date or even on any date.

Investments made in currencies other than the reference currency of the sub-fund/share class in question present a currency risk: at constant prices, the market value of an investment denominated in a currency other than that of a given sub-fund/share class, expressed in the currency of the sub-fund/share class concerned, may fall following an unfavourable change in the exchange rate between the two currencies.

Investments in the emerging markets and in securities of smaller companies may have less liquidity and greater volatility than investments in the "classic" markets and the securities of major corporations.

In periods of political instability, during monetary crises (especially credit crises), and during economic crises, the financial markets are generally characterised by a significant decline in market values, increased volatility and a deterioration in liquidity conditions. This increased volatility and deterioration in liquidity conditions will generally affect, in particular, the emerging markets, financial assets issued by smaller companies and smaller bond issues. During these exceptional events, the SICAV may have to dispose of assets at a price that does not reflect their intrinsic value (liquidity risk) and investors may incur risks of high losses.

Investors who would like to know about the past performance of the sub-funds are asked to read the section of the Simplified Prospectus that relates to the sub-fund in question, and gives the figures for the last three financial years. Investors should note that this data is in no way intended to be an indication of the future performance of the various sub-funds of the SICAV.

The investment objectives and policies determined by the Board of Directors, along with the risk profile and the profile of the typical investor are as follows, for each sub-fund.

The above information is not exhaustive. It is not intended to constitute, nor does it constitute, legal advice. If in doubt, potential investors are advised to carefully read the Prospectus and consult their own professional advisors about the consequences of subscribing or trading the Fund's shares.

2. INVESTMENT OBJECTIVES AND POLICIES, RISK PROFILE AND INVESTOR PROFILE OF THE DIFFERENT SUB-FUNDS

a) Prosper Stars & Stripes Fund

(1) Investment policy

The objective of the **Prosper Stars & Stripes Fund** sub-fund is to offer its investors capital gains through a diversified portfolio composed of eligible financial assets such as shares, bonds and convertible bonds, money market instruments and any other type of investment, provided that these are eligible financial assets for a UCITS subject to Part I of the Law of 2010.

The sub-fund will seek to achieve its objective by investing primarily in equities and other securities equivalent to equities of North American issuers whose securities are listed on a stock exchange or traded on a regulated market in the United States of America, and/or of companies that conduct a predominant part of their business in the United States of America. There will be no restrictions on the market capitalization of these issuers.

Subject to this constraint, the sub-fund may invest, on an ancillary basis, in any other transferable securities, money market instruments, bank deposits and derivative financial instruments.

In addition, the sub-fund may invest up to 10% of its assets in units or shares of other UCITS and/or mutual funds in order to be eligible for coordinated UCITS within the meaning of Directive 2009/65/EC.

The use of derivative financial instruments is an integral part of the sub-fund's investment policy. The sub-fund may use techniques and derivatives for investment purposes and for effective portfolio management and/or for hedging purposes in accordance with the conditions and limits stipulated in

section 3 below. While the primary objective is to invest for the medium to long term, the sub-fund will take advantage of arbitrage opportunities as they arise and may temporarily hold cash.

Derivative financial instruments that may be used include, but are not limited to, futures, options, CFDs (contract for differences) and OTC derivatives. In this respect, the sub-fund may, for example, use CFDs to enter into synthetic long or short positions.

The sub-fund's off-balance sheet commitments are limited to 100% of its assets and the aggregate exposure to risks resulting from off-balance sheet commitments and securities positions may not exceed 200% of the net assets.

CFDs are over-the-counter financial contracts that provide exposure to fluctuations (positive or negative depending on the direction of the transaction) in equities, baskets of equities or indices without the requirement of owning or borrowing the underlying financial instruments. These contracts stipulate that the seller will pay the buyer the difference between the current value of the asset and the value of the asset when the contract is concluded. CFDs do not commit the investor to purchase or deliver the asset, but only to receive or pay the amount resulting from the change in its price. These transactions are an arbitrage technique to reduce the Sub-fund's exposure to market risk or to a specific sector risk. The risk arising from one or more downside exposures to securities should not be viewed in isolation but in consideration of the overall portfolio and similar securities held by the Sub-fund at the time of purchase. Consequently, the risk associated with a sale of securities in this context is not absolute, but must always be seen as a relative risk.

However, and if the Manager wishes to have a temporary low exposure to the market, the sub-fund may invest up to 100% of its net assets in liquid funds, term deposits, rate contracts or monetary instruments such as bonds, money market instruments traded on a regulated market with a residual maturity of no more than 12 months, cash UCITS or UCI. However, the sub-fund will make sure to avoid any over-concentration of assets in a single other cash UCITS or UCI and in general will comply with the investment limitations and rules on risk distribution as described in section 4 below. There is no restriction as to the currency of issue of these securities. However, the term deposits and liquid funds may not exceed 49% of the net assets of the sub-fund; the term deposits and liquid funds held with any counterparty, including the Custodian, may not exceed 20% of the sub-fund's net assets.

(2) Risk profile

The **Prosper Stars & Stripes Fund** sub-fund is subject to fluctuations in the equity and bond markets.

With a view to optimising the return on its portfolio, the Sub-fund is authorised to make use of techniques and derivative instruments on the conditions described in section 3 below (notably warrants on transferable securities, contracts for difference (CFDs), futures, options on transferable securities, interest rates or futures, etc.). Investors' attention is drawn to the fact that the use of derivatives for purposes of investment (trading) involves a leverage effect. This makes the Sub-fund's returns more volatile.

(3) Investor profile

The shares of the sub-fund are offered to both retail and institutional clients who are eligible for a specific share class. The sub-fund is intended for investors who may be exposed to certain risks.

(4) Reference currencies

The net asset value of the “**Prosper Stars & Stripes Fund P EUR**” and “**Prosper Stars & Stripes Fund I EUR**” classes of the **Prosper Stars & Stripes Fund** sub-fund is expressed in euro.

The net asset value of the “**Prosper Stars & Stripes Fund P CHF**” and “**Prosper Stars & Stripes Fund I CHF**” classes of the **Prosper Stars & Stripes Fund** sub-fund is expressed in CHF.

The net asset value of the “**Prosper Stars & Stripes Fund I USD**” and “**Prosper Stars & Stripes Fund P USD**” and “**Prosper Stars & Stripes Fund 13**” classes of the **Prosper Stars & Stripes Fund** sub-fund is expressed in USD.

The net asset value of the “**Prosper Stars & Stripes Fund R GBP**” and “**Prosper Stars & Stripes Fund P GBP**” classes of the **Prosper Stars & Stripes Fund** sub-fund is expressed in GBP.

The net assets of the **Prosper Stars & Stripes Fund** sub-fund are consolidated in USD.

b) Global Macro Fund

(1) Investment policy

The **Global Macro Fund** sub-fund aims to achieve long-term capital appreciation through flexible asset allocation. In view of the Global Macro strategy pursued, the sub-fund seeks to take advantage of developments in the global economy. The attention of investors is accordingly drawn to the fact that the sub-fund may use a wide range of different instruments in order to pursue this strategy as effectively as possible and to adapt to changes in the economies concerned.

Primarily, the sub-fund dynamically divides asset classes into a portfolio consisting of: equities, bonds and convertible bonds (including contingent convertible bonds), money market instruments, cash and cash equivalents. Although investments may be made directly, the sub-fund may also invest through UCITS or UCIs (including Exchange Traded Funds (ETF)) within the meaning of Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC, that are regulated, open-ended and diversified, with a risk diversification comparable to that of Luxembourg UCIs falling within the scope of Part I of the Law of 2010.

Contingent convertible bonds may not represent more than 10% of the sub-fund's net assets.

The sub-fund will invest primarily in the countries of the Eurozone and the G7 countries that are not members of the Eurozone (i.e., Japan, the United States, Great Britain and Canada); the investment policy, however, maintains a certain flexibility in terms of currencies and sector allocation.

It should be pointed out that the sub-fund may have up to 30% exposure of its net assets to emerging and frontier markets through:

- investments in American Depositary Receipts and Global Depositary Receipts, hereinafter ADR and GDR respectively, the underlying securities of which are issued by companies based in an emerging country, and which are traded on a regulated market outside said emerging country, mainly in the United States or Europe. ADRs and GDRs are used as alternatives to shares that cannot be bought locally for legal reasons. ADRs and GDRs are not listed locally but on markets such as New York and London. Moreover, they are issued by first class banks and/or financial

institutions of industrialised countries. If an ADR or a GDR contains an embedded derivative, the latter must comply with Article 41 of the law of 2010;

- investments in UCITS or UCIs (including exchange traded funds (ETFs) entailing exposure to emerging and frontier markets;
- investments in the Chinese market, in China A-shares, either directly through the Shanghai-Hong Kong Stock Connect or indirectly through UCITS or open-ended UCIs with access to China A-shares as QFII (qualified foreign institutional investors);
- investments in bonds and structured products and/or financial derivative instruments as described below;
- investments in Participatory Notes (or P-Notes) denominated in any currency. Specifically, P-Notes will be used primarily to gain exposure to a local market for which access is restricted (i.e. the Indian market). It should be emphasized that, depending on their specific nature, these P-Notes qualify as securities within the meaning of Article 41 (1) of the Law of 2010 and section 2 of the Grand-Ducal Regulation of 8 February 2008 and/or securities within the meaning of Article 41 (1) of the Law of 2010 and section 10 of the Grand-Ducal Regulation of 8 February 2008.

The sub-fund may also invest a maximum of 25% of its net assets in structured products. The expression “structured products” refers to securities issued by first-class financial institutions with the aim of restructuring the investment profiles of certain other investments (the “underlying assets”). As such, financial institutions issue securities (the “structured products”) whose performance is linked to that of the underlying assets. Such assets must be in line with the investment policy and the investment objective of the sub-fund. The risks to which the underlying assets are inherently exposed may not exceed the investment limits set out below.

In addition to its net assets and up to a maximum of 20%, the sub-fund may decide to invest in the commodity markets through exchange-traded commodities (ETC), provided that they meet the definition of transferable securities under Article 41(1) of the Law of 2010, Article 2 of the Grand Ducal Regulation (Règlement Grand-Ducal) of 8 February 2008 and point 17 of the recommendations issued by ESMA 07-044b; these products must not contain derivatives and must not result in physical delivery of the underlying commodities. The sub-fund may also invest, also within the 20% limit described in this paragraph, in derivative financial instruments on commodity indices.

The sub-fund may use techniques and financial instruments for investment purposes and for effective portfolio management and/or for hedging purposes in accordance with the conditions and limits stipulated in section 3 below. The Sub-fund will use derivative financial instruments in such a way as not to cause any significant change in the Sub-fund’s risk profile relative to how it was or would be in the absence of derivative financial instruments.

Derivative financial instruments likely to be used include (without limitation): forward exchange contracts, warrants, futures, options, contracts for difference (CFDs), swaps (including Credit Default Swaps and Total Return Swaps) and any other OTC derivative instrument.

Accordingly, the sub-fund may, for example, use these derivatives to obtain exposure to any eligible asset class and/or use CFDs to establish uncovered synthetic buy or sell positions. The selection of the underlying assets of these derivatives will not be subject to any geographical or other restrictions, provided that the underlying assets are instruments that fall within the scope of Article 41(1) of the

Law of 2010 and that they are in line with the sub-fund's investment policy; for example: financial indices (in accordance with Article 50(1)(g) of Directive 2009/65/EC, and Article 9 of European Directive 2007/16/EC), interest rates, forward exchange rates or currencies.

CFDs are over-the-counter financial contracts that provide exposure to fluctuations (positive or negative depending on the direction of the transaction) in equities, baskets of equities or indices without the requirement of holding or borrowing the underlying financial instruments. These contracts stipulate that the seller will pay the buyer the difference between the real value of the asset and the value of the asset when the contract is concluded. CFDs do not commit the investor to purchase or deliver the asset, but only to receive or pay the amount resulting from the change in its price. These transactions are an arbitrage technique to reduce the sub-fund's exposure to market risk or to a specific sector risk. The risk arising from one or more downside exposures to securities should not be viewed in isolation but in consideration of the overall portfolio and similar securities held by the sub-fund at the time of purchase. Consequently, the risk associated with a sale of securities in this context is not absolute, but must always be seen as a relative risk.

Credit default swaps or total return swaps may not represent more than 20% of the sub-fund's assets. Credit default swaps may be traded differently from the fund holdings of the reference entity. In adverse market conditions, the basis (the difference between the bond spread and the credit default swap spread) may be much more volatile.

The Sub-fund may invest up to 20% of its assets in ABS (asset-backed securities) and/or MBS (mortgage-backed securities). In adverse market conditions, the assets underlying these securities may prove illiquid and react negatively in the event of payment defaults and/or interest rate increases.

Warrants may not represent more than 20% of the sub-fund's assets. The value of warrants generally fluctuates more than the price of the underlying securities due to the greater volatility of warrant prices.

While the primary objective is to invest for the medium to long term, the sub-fund will take advantage of arbitrage opportunities as they arise and may temporarily hold cash.

However, and if justified by market conditions, the sub-fund may invest up to 100% of its net assets in liquid funds, term deposits, rate contracts or monetary instruments such as bonds, money market instruments traded on a regulated market with a residual maturity of no more than 12 months, cash UCITS or UCI. However, the sub-fund will make sure to avoid any over-concentration of assets in a single other cash UCITS or UCI and in general will comply with the investment limitations and rules on risk distribution as described in section 4 below. There is no restriction as to the currency of issue of these securities. However, the term deposits and liquid funds may not exceed 49% of the net assets of the sub-fund; the term deposits and liquid funds held with any counterparty, including the Custodian, may not exceed 20% of the sub-fund's net assets.

With a view to sound management of the portfolio and/or for the purpose of hedging its assets and commitments, the sub-fund may use techniques and financial instruments in accordance with the conditions and limits stipulated in section 5 below.

In any event, the sub-fund shall not invest more than 10% of its assets in UCITS or other UCIs (including Exchange Traded Funds (ETF)) within the meaning of Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC, that are regulated, open-ended and diversified, with a risk diversification

comparable to that of Luxembourg UCIs falling within the scope of Part I of the Law of 2010, in order for the sub-fund to be eligible as an investment for other UCITS.

(2) **Risk profile**

The **Global Macro Fund** sub-fund is subject to fluctuations in the equity and bond markets.

Risks linked to emerging and frontier markets

In view of the possibility of the Sub-fund's holding direct or indirect exposure to emerging and frontier markets, investors' attention is drawn to the fact that the way in which the markets of certain emerging and frontier countries operate and are supervised may differ from standards prevailing in the majority of international markets.

The following examples are intended to illustrate some of the risks involved in differing degrees in investing in emerging market instruments, but are not exhaustive and do not offer advice on the appropriateness of the investments.

1. country risks linked to the legal framework (e.g. limited regulation of markets for transferable securities, the possible introduction of exchange controls, or other laws or restrictions imposed by the governments of the countries in question and the possibility of limited legal recourse), to the economy (e.g. regional and international political and economic developments), to political actions (e.g. government involvement in the private sector), to social actions and to the tax system, as well as to the country's quality of management;
2. accounting practices (in that the accounting, audit and financial reporting system may not conform to international standards; even if reports have been adapted to international standards, they may not always contain accurate information; the obligations imposed on companies to publish financial information may also be limited);
3. shareholder risks (existing legislation may not yet be sufficiently developed to protect the rights of minority shareholders; liability for violating existing shareholder's rights may be limited);
4. risks linked to the country's currency (i.e. currency fluctuations) and to restrictions on investment and on repatriation of these investments;
5. risks linked to higher volatility and lower market liquidity than in more industrialised countries, which means that investors may sometimes be unable to sell certain transferable securities at the desired price, and risks linked to the transparency and quality of available information (due to less strict disclosure obligations for example);
6. heightened risk of negative effects of deflation and inflation;
7. deposit and/or settlement systems may not be fully developed.

These risks can lead to substantial volatility of the negotiable securities, markets and currencies concerned.

Countries with emerging and frontier markets, without limitation, (1) countries with an emerging stock market in a developing economy as defined by the International Financial Corporation, (2) countries with low- or middle-income economies as defined by the World Bank and (3) countries listed in the World Bank publication as developing. The list of emerging and frontier markets is subject to continual changes; in general terms they comprise all countries or regions other than the United States of America, Canada, Japan, Australia, New Zealand and Western Europe.

Risk linked to Russia

Russia is considered an unregulated market with the exception of the Moscow stock exchange (following the merger of the [Moscow Interbank Currency Exchange](#) and of the [Russian Trading System](#) in December 2011). Any direct investment in Russian securities will be made through the Moscow stock exchange.

Risks associated with China

Political and social risk

Investments in China are undoubtedly sensitive to any political, social or diplomatic event likely to occur in China or to concern China. Investors should note that any change in China's policies could have a negative effect on securities markets in China and on the performance of the Sub-fund.

Economic risk

The Chinese economy differs from the economies of most developed countries in numerous aspects, notably as regards state intervention in the economy, the level of development, the rate of growth and exchange controls. The regulatory and legal framework applicable to the capital markets and to businesses in China is not very highly developed compared with that existing in developed countries.

China's economy has seen rapid growth over the past few years. It is nevertheless possible that such growth will not prove durable, and in any case certain sectors of China's economy may not benefit from it. Any of these developments could have a negative effect on the performance of the Sub-fund.

Legal and regulatory risk

China's legal system is based on written laws and regulations. Nonetheless, a number of these laws and regulations have never been put to the test, and enforcement remains slack. In particular, the regulations governing China's foreign exchange market are relatively new and their application is uncertain. These regulations also leave the China Securities Regulatory Commission and the State Administration of Foreign Exchange free to interpret them at their discretion, which might exacerbate uncertainty as to their application.

Dependence on China A-shares market

Whether or not there is a liquid market for China A-shares may depend on whether there is a supply of China A-shares and demand for them.

Information on major shareholders

By virtue of China's disclosure requirements regarding shareholdings, a Sub-fund investing in China A-shares may be deemed to be acting in concert with other funds managed in the Investment Manager's group or with a significant shareholder of the investment manager, and it is possible that for disclosure purposes the Sub-fund's portfolio of securities will have to be consolidated with those of the above-mentioned funds, if a given holding, after consolidation, exceeds the reporting threshold established by the Chinese legislation, namely 5% of the total number of shares issued by the listed Chinese company in question. This could lead to the public's becoming aware of the securities in the portfolio and could have a negative effect on the performance of the Sub-fund concerned.

Moreover, subject to interpretation by the Chinese courts and regulators, certain provisions in the Chinese legislation and regulations might be applied to the Sub-fund's investments, with the consequence that the securities held by the Sub-fund (possibly together with those held by other investors deemed to be acting in concert with it) exceed 5% of the total number of shares issued by a listed Chinese company, in which case the Sub-fund (in common with the other investors deemed to be acting in concert) would have to wait for six months after the last acquisition of shares before being allowed to reduce its shareholding. If the Sub-fund (or another investor) breaks the rule and sells all or part of its holding in the company before the six month period has elapsed, the listed company concerned can require it to hand over any capital gains realised on the sale.

Moreover, by virtue of Chinese civil procedures, the assets of the Sub-fund can be frozen to the extent of the claims of the company concerned.

Risks linked to the Shanghai-Hong Kong Stock Connect programme

The Sub-fund may invest in and have direct access to certain eligible China A-shares, through the intermediary of the Shanghai-Hong Kong Stock Connect programme ("Stock Connect"). Stock Connect is an interconnected securities trading and clearing programme developed by Hong Kong Exchanges and Clearing Limited (HKEx), the Shanghai Stock Exchange (SSE) and China Securities Depository and Clearing Corporation Limited (ChinaClear), aimed at allowing reciprocal stock market access between mainland China and Hong Kong.

Stock Connect features a North-South trading channel, the Northbound Trading Link, dedicated to investments in China A-shares, which allows investors, through the intermediary of their Hong Kong stockbrokers and a securities trading company established by the Stock Exchange of Hong Kong (SEHK), to pass orders on eligible securities listed on the SSE by transferring these orders to the SSE.

With Stock Connect, international investors (including the Sub-fund) will, subject to the rules and regulations that are regularly issued and amended, be able to trade in China A-shares listed on the SSE (the "SSE securities") through the intermediary of the Northbound Trading Link. SSE securities comprise at any given time all the securities listed in the SSE 180 and SSE 380 indices and all China A-shares not listed in these indices but for which there are H-shares listed on the SEHK, with the exception of (i) shares listed on the SSE but not available for trading, in renminbi (RMB) and (ii) shares listed on the SSE appearing on the "risk alert board". The list of eligible securities may be changed at any time after examination and agreement by the competent regulators of the People's Republic of China (PRC).

You will find more extensive information on Stock Connect at the following address: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm.

Quota risk

Stock Connect is subject to investments quotas, which may restrict the Sub-fund's ability to invest quickly in China A-shares through the intermediary of Stock Connect, and the Sub-fund may not be able to implement its investment policy effectively.

Risk of suspension

The SEHK and the SSE reserve the right to suspend trading if necessary in order to ensure the equitable and orderly functioning of the market and to manage risks prudently, which would affect the Sub-fund's ability to access the market of mainland China through the intermediary of Stock Connect.

Different trading days

Stock Connect operates when the stock markets of mainland China and Hong Kong are both open for trading and when the banks in both these two markets are open on the corresponding settlement dates. It may be therefore that international investors (such as the Sub-fund) are unable to pass orders on China A-shares even though the date corresponds to a trading day in mainland China. Consequently, the Sub-fund may be exposed to the risk of price fluctuations in China A-shares during the period when Stock Connect is not functioning.

Clearing and settlement risks, custodian risk

Hong Kong Securities Clearing Company Limited (HKSCC), a wholly-owned subsidiary of the HKEx, and ChinaClear have established clearing links, and each is a member of the other so as to facilitate clearing and settlement of international trades. As national central counterparty for mainland China's securities market, ChinaClear manages a comprehensive network of structures for the clearing, settlement and holding of securities. ChinaClear has put in place a risk management framework and measures which have been approved by and are overseen by the China Securities Regulatory Commission (CSRC). The likelihood of ChinaClear's defaulting is considered remote.

In the unlikely event that ChinaClear should default and/or be declared bankrupt, HKSCC would seek in all good faith to recover the securities and funds from ChinaClear through existing legal channels or by means of the liquidation of ChinaClear. In such case, the Sub-fund might suffer a delay in the recovery process or not be able to recover all its losses from ChinaClear.

China A-shares traded through the intermediary of Stock Connect are issued in dematerialised form, and investors such as the Sub-fund will not hold any China A-shares in physical form. Hong Kong investors and international investors such as the Sub-fund who have acquired securities on the SSE through the intermediary of the Northbound Trading Link must keep them in securities accounts opened by their stockbrokers or custodians with the Central Clearing and Settlement System operated by HKSCC for clearing of securities listed or traded on the SEHK. More detailed information on the custody arrangements for Stock Connect is available on request from the Fund's registered office.

Nominee holding arrangements for China A-shares

HKSCC is the nominee holder of the SSE securities acquired by international investors (notably the Sub-fund) through the intermediary of Stock Connect. The CSRC rules as they apply to Stock Connect stipulate explicitly that investors such as the Sub-fund have the rights and benefits of the SSE securities acquired through the intermediary of Stock Connect in accordance with applicable legislation. The CSRC has specified, in a FAQ forum published on 15 May 2015, that (i) the concept of nominee shareholder is recognised in mainland China, (ii) international investors must hold SSE securities through the intermediary of HKSCC and benefit from ownership interests in these securities in their capacity as shareholders, (iii) the legislation of mainland China does not explicitly provide that the beneficial owner in a nominee holding structure can instigate legal proceedings, but nor does it prohibit him from doing so, (iv) insofar as the certification issued by HKSCC is considered as legitimate proof of the holding by a beneficial owner of SSE securities by virtue of the legislation of the Hong Kong Special Administrative Region, such certification will be fully recognised by the CSRC and (v) insofar as an international investor can show proof of his direct interest as beneficial owner, this investor may instigate legal proceedings in his own name before the courts of mainland China.

By virtue of the rules of the Central Clearing and Settlement System operated by HKSCC for clearing securities listed or traded on the SEHK, HKSCC as nominee holder will have no obligation to instigate legal proceedings or take legal action to assert or defend rights on behalf of investors in respect of SSE securities in mainland China or elsewhere. Consequently, even though the Sub-fund's status as owner may ultimately be recognised and even though HKSCC confirms its readiness to assist beneficial owners of SSE securities if necessary, the Sub-fund could experience delays or difficulties in exercising its rights to China A-shares. Furthermore, it remains to be seen whether the courts of mainland China will accept suit brought independently by an international investor with a certification of holding of SSE securities issued by HKSCC.

Insofar as HKSCC is deemed to perform custodial functions for the assets held through its intermediary, it should be noted that neither the custodian nor the Sub-fund will have any legal link with HKSCC or would have any legal recourse against it if a Fund were to incur losses by reason of HKSCC's poor performance or insolvency.

Investor compensation

The Sub-fund's investments through the intermediary of North-South trades under Stock Connect will not be covered by the Hong Kong Investor Compensation Fund. This fund was set up to pay compensation to investors of any nationality suffering financial loss as a result of the default of an approved intermediary or financial institution in relation to products traded on the Hong Kong stock exchange.

Since any defaults occurring in respect of North-South trading through the intermediary of Stock Connect do not concern products listed or traded on the SEHK or on the Hong Kong Futures Exchange, they will not be covered by the investor compensation fund. Similarly, since the Sub-fund makes North-South trades through the intermediary of stockbrokers in Hong Kong and not through stockbrokers in mainland China, it is not covered by mainland China's compensation fund for investors in Chinese securities.

Operational risk

Stock Connect provides Hong Kong investors and international investors such as the Sub-fund with a new direct access channel to the stock market of mainland China.

Stock Connect relies on the smooth workings of the operating systems of the participants in the market concerned. Market operators can take part in this programme providing they meet a number of requirements, notably as regards IT and risk management capabilities as specified by the stock exchange or clearing house concerned.

It must be borne in mind that the negotiable securities regimes and the legal systems of the two markets differ appreciably, and in order to ensure the smooth functioning of the pilot scheme, market operators will probably be obliged to address the problems created by these differences as and when they arise.

Furthermore, the connectivity in the Stock Connect programme requires cross-border orders to be sent. This requires the development of new IT systems by SEHK and the market participants. More precisely, a new order transmission system (China Stock Connect System) must be put in place by the SEHK and the market participants will have to connect to it. There is no guarantee that the systems of the SEHK and of the market participants will function correctly or that they will continue to

be adapted to the changes and developments in the two markets. If the systems concerned were not to function correctly, trading on both markets through the intermediary of the programme could be interrupted. That would have a negative effect on the Sub-fund's ability to access the China A-shares market (and therefore to implement its investment strategy).

Transaction costs

In addition to the transaction fees and the stamp duty associated with trading in China A-shares, the Sub-fund may also have to pay new portfolio fees, tax on dividends and income tax generated by the transfers of securities, which remain to be defined by the competent authorities.

Regulatory risk

The CSRC rules for Stock Connect are administrative regulations with the force of law in the People's Republic of China. However, the application of these rules has not yet been put to the test, and there is no guarantee that the courts of mainland China will recognise them, for example as they relate to the liquidation of mainland Chinese companies.

Stock Connect is an innovative system, and the programme is subject to regulations issued by the regulatory authorities and the rules for implementation laid down by the stock exchanges of both mainland China and Hong Kong. Furthermore, new rules may be announced frequently by the regulators in respect of transactions and the international legal application as to cross-border trades in the context of Stock Connect.

The regulations have yet to be put to the test, and there is no certainty as to how they will be applied. Moreover, they are likely to evolve. There can be no guarantee that Stock Connect will not be closed down. The Sub-fund could be penalised by such changes.

Tax risks linked to Stock Connect

In accordance with Caishui 2014 no. 81 ("Notice 81"), foreign investors investing in China A-shares listed on the Shanghai stock exchange through the intermediary of Stock Connect would be temporarily exempt from corporation tax and commercial tax in China on capital gains realised on the sale of these China A-shares. Dividends would be subject to mainland China corporation tax based on a withholding tax of 10%, except where there is a double taxation treaty with China allowing this rate to be reduced subject to prior request for approval and granting of such approval by the competent Chinese tax authorities.

It should be noted that Notice 81 stipulates that the exemption from corporation tax in force since 17 November is temporary. Accordingly, once the PRC authorities announce the expiry date of this exemption, the Sub-fund will have to take steps to take account of the tax due, which could have a clearly negative effect on the Sub-fund's Net Asset Value.

With a view to optimising the return on its portfolio, the Sub-fund is authorised to make use of techniques and derivative instruments on the conditions described in section 3 below (notably warrants on transferable securities, contracts for difference (CFDs), futures, options on transferable securities, interest rates or futures, etc.). Investors' attention is drawn to the fact that the use of derivatives for purposes of investment (trading) involves a leverage effect. This makes the Sub-fund's returns more volatile.

(3) Overall exposure

Global exposure of the sub-fund is measured using the absolute VaR method.

The expected leverage is 300% of the sub-fund's net assets. It may, however, be significantly above this level on an ad hoc basis. Leverage is the sum of the notional exposures of the derivative financial instruments used, as defined in section 4 "Derivative financial instruments" below.

(4) Investor profile

The shares of the sub-fund are offered to both retail and institutional clients who are eligible for a specific share class. The sub-fund is intended for investors who may be exposed to certain risks.

(5) Reference currencies

The net asset value of classes "**Global Macro I EUR**" and "**Global Macro P EUR**" is expressed in euro.

The net asset value of classes "**Global Macro I USD**" and "**Global Macro P USD**" is expressed in USD.

The net asset value of classes "**Global Macro I CHF**" and "**Global Macro P CHF**" is expressed in CHF.

The net asset value of the "**Global Macro R GBP**" class is denominated in GBP.

The net assets of the **Global Macro Fund** sub-fund are consolidated in EUR.

3. **ELIGIBLE FINANCIAL ASSETS**

The investments of the various of sub-funds in the SICAV must comprise exclusively:

Securities and money market instruments

- a) convertible securities and money market instruments listed or traded on a regulated market as accredited by the Member State of origin and included on the list of regulated markets published in the Official Gazette of the European Union ("EU") or on its website (hereinafter "Regulated Market");
- b) securities and money market instruments traded on another market located in a Member State of the European Union, which is regulated, operates on a regular basis, is recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or traded on another market in a non-Member State of the European Union which is regulated, operates regularly, is recognised and open to the public;
- d) newly-issued transferable securities and money market instruments provided that (i) the terms of the issue include an undertaking that application will be made for admission to official listing on a stock exchange or another regulated market, which operates regularly, is recognised and open to the public; and (ii) admission is obtained no later than one year from the date of issue;
- e) money market instruments other than those traded on a regulated market insofar as the issue or issuer of these instruments are themselves subject to regulations protecting investors and savings and providing these instruments are:
 - issued or guaranteed by a central, regional or local government 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 another country or, in the case of a federal state, by one of the members of the federation, or by an international public body of which one or more Member States are members; or
 - issued by a company whose shares are traded on the regulated markets referred to under points a), b) and c) above; or
 - issued or guaranteed by an institution subject to prudential supervision in line with the criteria defined by Community law, or by an institution subject to and complying with prudential rules considered by the CSSF to be at least as strict as those stipulated in Community legislation; or
 - issued by other bodies belonging to the categories approved by the Commission de Surveillance du Secteur Financier (CSSF), insofar as investments in these instruments are subject to investor protection rules which are equivalent to those laid down under the first, second or third points, and that the issuer is a company with capital and reserves amounting to at least ten million euros (EUR 10,000,000) and which presents and publishes its annual accounts pursuant to the Fourth Directive 78/660/EEC, or a body which, within a group of companies including one or more listed companies, is dedicated to the financing of the group, or a body dedicated to financing securitisation vehicles benefiting from a line of bank finance.

Any sub-fund of the SICAV may also invest up to 10% of its net assets in transferable securities and money market instruments other than those referred to in points a) to e) above.

Units in Undertakings for Collective Investment

- f) units of UCITS authorised under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS ("Directive 2009/65/EC") and/or units in undertakings for collective investment in transferable securities ("UCITS") and/or other collective investment undertakings ("UCI") as defined in Article 1(2), points a and b of Directive 2009/65/EC, whether or not they are situated in an EU Member State, provided that:
- such other UCIs are authorised under a law which provides that they are subject to supervision considered by the CSSF (Commission de Surveillance du Secteur Financier, Luxembourg's financial sector supervisory authority) to be equivalent to that laid down in Community law and that cooperation between authorities is sufficiently assured;
 - the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders of UCITS and, in particular, that the rules on asset segregation, borrowings, lending and short selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2005/65/EC;
 - the business of such other UCIs is reported in half yearly and annual reports enabling an assessment to be made of the assets, liabilities, revenues and operations over the reporting period;
 - the proportion of the assets of the UCITS or other UCIs to be acquired which, in accordance with their formation documents, may be invested globally in units of other UCITS or other UCIs does not exceed 10%;

Deposits with a credit institution

- g) deposits with a credit institution repayable on demand or which can be withdrawn and maturing in no more than twelve months, provided that the credit institution has its registered office in a Member State of the European Union or, if its registered office is in a non-Member State, that it is subject to prudential rules considered by the CSSF to be equivalent to those laid down in Community law.

Derivative financial instruments

- h) financial derivatives, including equivalent instruments giving rise to a settlement in cash, which are traded on a regulated market of the type referred to in points a), b) and c) above, or derivative financial instruments traded over-the counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by points a) to g) above, of financial indices, interest rates, foreign exchange rates or foreign currencies in which the SICAV may invest according to its investment objectives;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and

- the OTC derivative instruments are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed out by an offsetting transaction at any time and at their fair value at the initiative of the SICAV; and
- under no circumstances may these operations cause the SICAV to deviate from its investment objectives.

The SICAV may in particular intervene in transactions relating to options, forward contracts on financial instruments and options on such contracts.

The SICAV may, in a secondary capacity, hold liquid assets.

4. INVESTMENT RESTRICTIONS

Securities and money market instruments

1. The SICAV may not invest its net assets in transferable securities and money market instruments from the same issuer in proportions that exceed the limits stipulated below, on the understanding that (i) these limits must be respected within each sub-fund, and that (ii) the issuing companies grouped for accounts consolidation purposes are treated as a single entity when calculating the limitations described in points a) to e) below.

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

The total value of the transferable securities and money market instruments held by the sub-fund with issuers in each of which it invests more than 5 % of its net assets may not exceed 40 % of the total value of its net assets. This limit does not apply to deposits with financial institutions which are subject to prudential supervision or to OTC derivative transactions with such institutions.

- b) The same sub-fund may invest a cumulative figure of up to 20 % of its net assets in transferable securities or money market instruments issued by a single group.
- c) The limit of 10 % mentioned in point a) above may be increased to 35 % as a maximum, if the transferable securities and money market instruments are issued or guaranteed by an EU Member State, by its regional authorities, by a non-EU state or by international public bodies of which one or more EU member states are members.
- d) The 10 % limit mentioned in point a) above may be increased up to a maximum of 25 % certain bonds if they are issued by a credit institution headquartered in an EU member state and are subject, by law, to special public supervision designed to protect bondholders. In particular, the amounts resulting from the issue of these bonds must be invested, by law, in assets that provide sufficient coverage throughout the validity of the bonds, for the resulting obligations and which are allocated in priority to the repayment of capital and the payment of interest accruing, in the event of a default by the issuer. To the extent that a sub-fund invests more than 5 % of its net assets in the bonds mentioned above, issued by the same issuer, the total value of those investments may not exceed 80 % of the value of the net assets.
- e) The securities and money market instruments mentioned in points c) and d) above are not taken into consideration for application of the 40% limit mentioned in point a) above.

- f) **By way of exception, any sub-fund may, according to the risk distribution principle, invest up to 100 % of its net assets in different issues of transferable securities and money market instruments issued or guaranteed by an EU Member State, by its regional authorities, by an OECD member state or by international public bodies of which one or more EU member states are members.**

If a sub-fund takes advantage of this option, it must hold securities from at least six different issues, and the securities from a single issue may not exceed 30 % of the total value of the net assets.

- g) Without prejudice to the limitations imposed in point 7 below, the 10 % limit mentioned in point a) above will be increased to a maximum of 20 % for investments in bonds and/or equities issued by the same entity, if the sub-fund's investment policy is aimed at reproducing the composition of a specific share or bond index recognised by the CSSF, on the following basis:
- the composition of the index is sufficiently diversified;
 - the index represents an adequate benchmark for the market to which it refers;
 - it is published in an appropriate manner.

The 20% limit will be increased to 35% if and when this proves to be justified by exceptional market conditions, in particular on regulated markets where certain securities or certain money market instruments are largely dominant. Investment up to this limit is permitted for only one issuer.

Deposits with a credit institution

2. The SICAV may not invest more than 20 % of the net assets of each sub-fund in bank deposits with the same entity. Companies grouped for the purposes of account consolidation shall be treated as a single entity for the purposes of calculating this limitation.

Derivative financial instruments

3. a) The counterparty risk in an OTC derivative instrument transaction may not exceed 10% of the sub-fund's net assets if the counterparty is one of the credit institutions referred to in section 3 point g) above, or 5% of its net assets in other cases.
- b) Investments in derivatives may be made, provided that globally the risks to which the underlying assets are exposed do not exceed the investment limits stipulated in points 1. a) to e), 2., 3. a) above and 5. and 6. below. If the SICAV invests in derivative financial instruments which are based on an index, these investments will not be combined with the limits set forth in points 1. a) to e), 2., 3. a) above and 5. and 6. below.
- c) If a transferable security or money market instrument is a derivative, it must be taken into account when applying the provisions of points 3. d) and 6. below, and the appreciation of the risks of transactions on derivatives, if the global risk of the financial derivatives does not exceed the total net value of the assets.
- d) Each sub-fund must ensure that its overall risk relating to derivatives does not exceed the

total net value of its portfolio. The risk is calculated taking account of the current value of the underlying assets, counterparty risk, foreseeable market trends and the time available to liquidate the positions.

Units in Undertakings for Collective Investment

Subject to other more restrictive specific provisions relating to a given sub-fund and described in section 2 above, where applicable:

4. a) The SICAV may not invest more than 20% of the net assets of each sub-fund in the units of the same UCITS or other open UCI, as defined in section 3 point f) above.
- b) Total investments in the units of other UCIs may not exceed a total of 30 % of the SICAV's net assets.

If a sub-fund acquires units of UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purposes of the limits set forth in point 7. a) to e) below.

- c) When the SICAV invests in units or shares of other UCITS and/or other UCIs which are managed directly or on a delegated basis by the same Management Company or by any other company to which the Management Company is linked by common management or control or by a significant direct or indirect equity interest, the Management Company or other company may not invoice subscription or redemption fees for the SICAV's investment in units or shares of other UCITS and/or UCIs.

The maximum management fee that may be charged to both the SICAV and the UCITS and/or other UCIs in which the SICAV intends to invest will be that indicated in the particular investment policy of the relevant sub-fund.

To the extent that the UCITS or UCI is a legal entity with multiple sub-funds, all the assets in a sub-fund correspond exclusively to the rights of the investors in that sub-fund and those of the creditors whose debt arose from the formation, operations or liquidation of this sub-fund, each sub-fund is considered as a separate issue, for the purposes of applying the above risk distribution rules.

Combined limits

5. Notwithstanding the individual limits set in points 1.a.), 2. and 3.a) above, a sub-fund may not combine:
- investments in transferable securities or money market instruments issued by a single entity,
 - deposits with a single entity, and/or
 - risks stemming from OTC derivative instrument transactions with a single entity.

that are greater than 20 % of its net assets.

6. The limits stipulated in points 1. a), 1. c), 1. d), 2., 3. a) and 5. may not be cumulative and therefore the investments in the transferable securities and money market instruments of a single issuer, made in accordance with points 1. a), 1. c), 1. d), 2., 3. a) and 5. may never exceed 35 % of the net assets of the sub-fund in question.

Limitations on control

7. a) The SICAV may not acquire shares carrying voting rights which would enable it to exercise a significant influence over the management of an issuer.
- b) The SICAV may not acquire more than 10 % of non-voting shares of the same issuer.
- c) The SICAV may not acquire more than 10 % of bonds from the same issuer.
- d) The SICAV may not acquire more than 10 % of money market instruments from a single issuer.
- e) The SICAV may not acquire more than 25 % of units in the same UCITS and/or other UCI.

The limits stipulated under points 7. c) to e) above may not be respected at the time of acquisition if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities issued, cannot be calculated.

The limits laid down in points 7. a) to e) do not apply to:

- transferable securities and money market instruments issued or guaranteed by a European Union Member State or its regional public authorities;
- transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
- transferable securities and money market instruments issued by public international bodies of which one or more European Member States are members;
- the shares held in the capital of a non-EU country, provided that (i) the company essentially invested assets in securities from issuers who are nationals of that country where, (ii) under the laws of that country, such investment is the only possibility the SICAV has to invest in securities from issuers of that country, and (iii) that company, in its investment policy, respects the rules of risk diversification, counterparty and limitation of controls as set out in points 1. a), 1. c), 1. d), 2., 3. a), 4. a) et b), 5., 6. and 7. a) - e) above;
- the shares held in the capital of subsidiaries that perform management, consulting or retail operations solely for the exclusive profit of the SICAV in the country where the subsidiary is located, with regard to the redemption of shares at the request of the shareholders.

Loans

8. Each sub-fund may loan up to 10 % of its net assets provided that the loans are temporary. Each sub-fund may also acquire currencies by means of a back-to-back loan.

Commitments related to options contracts, purchases and sales of futures contracts are not considered as loans for the purposes of calculating this investment limit.

The SICAV must also ensure that the investments of each sub-fund comply with the following rules:

9. The SICAV may not grant loans or act as guarantor behalf of a third party. This restriction does not prevent the acquisition of transferable securities, money market instruments or other financial instruments which are not fully paid-up.
10. The SICAV may not short-sell transferable securities, money market instruments or other financial instruments referred to in section 3 points e), f) and h) above.
11. The SICAV may not acquire immovable property except where the purchase is essential for the direct exercise of its business.
12. The SICAV may not acquire commodities, precious metals or certificates representing them.
13. The SICAV may not use its assets to guarantee securities.
14. The SICAV may not issue warrants or other instruments giving the right to buy shares in the SICAV.

Notwithstanding the foregoing provisions:

15. The above limits may not always be respected at the time of the exercise of subscription rights to the transferable securities or money market instruments of which the sub-fund's assets are made up.

While ensuring compliance with the principle of risk diversification, the SICAV may deviate from the limits set forth above for a period of six months following the date of its being approved.

16. Where the maximum percentages indicated above are exceeded for reasons beyond the SICAV's control, or following the exercise of rights tied to the portfolio securities, the SICAV shall, in its sales operations, prioritise the regularisation of the situation, and take into account the shareholders' interests.

The SICAV may, at any time, introduce other investment restrictions provided that they are essential in order to comply with the laws and regulations in force in certain countries in which the SICAV's shares may be offered and sold.

Derivative financial instruments

1. General considerations

As indicated in section 3 h) above, the SICAV may invest, on behalf of each sub-fund, in financial derivative instruments, including among others, financial futures contracts, options (on shares, interest rates, indices, bonds, currencies, commodities indices or other instruments), forward contracts (including foreign exchange forward contracts), swaps (including total return swaps, foreign exchange swaps, commodity swaps, interest rate swaps and equity basket swaps), credit derivatives (including default risk derivatives, default swaps and credit spread derivatives), warrants, TBA-type mortgages (to-be-announced) and structured financial derivative instruments such as credit-linked securities and equity-linked securities.

The use of financial derivative instruments may not lead the SICAV to deviate from the investment objectives defined in each sub-fund's investment objectives and policies, risk profile and investor profile. If a sub-fund is likely to use financial derivative instruments for purposes other than efficient portfolio management or as hedges for market or foreign exchange risks, this will be mentioned in the policy of the given sub-fund.

Each sub-fund may invest in financial derivative instruments within the limits set out in point 3) a) to c) of section 4 above.

2. Overall exposure

The overall risk related to financial derivative instruments is calculated taking into account the current value of underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Overall exposure to financial derivative instruments can be calculated using the Value at Risk (VaR) method or the commitment method.

a. Value at Risk (VaR) method

Certain sub-funds can use the Value at Risk (VaR) method to calculate their overall exposure; if applicable, this will be indicated, for each sub-fund concerned, in the investment objectives and policies, risk profile and investor profile.

VaR is an instrument used to measure a sub-fund's potential loss due to market risk.

It is expressed as the maximum potential loss measured at a confidence level of 99% over a 20-day timeframe. The holding period relative to financial derivative instruments, for the purposes of calculating overall exposure, is 20 days.

Sub-funds using the VaR approach indicate the projected leverage in their investment objectives and policies, risk profile and investor profile.

In this context, leverage constitutes a measure of the overall use of derivatives and corresponds to the sum of the notional exposures of the financial derivatives used, without recourse to netting arrangements. To the extent that the calculation does not take account of any increase or decrease of the investment risk arising from a given financial derivative instrument, or of the different sensitivities of the notional exposure of the financial derivative instruments to market movements, it might not be representative of the level of investment risk of a sub-fund.

VaR is calculated according to either an absolute or relative approach:

– Absolute VaR

The absolute Value at Risk of a sub-fund is calculated as a percentage of the sub-fund's net asset value per share and is measured against an absolute limit of 20% as laid down by ESMA (European Securities and Markets Authority) Directives 10-788. Absolute VaR is generally an adequate method in the absence of a reference portfolio or an identifiable benchmark index, for example for funds with absolute performance objectives.

– Relative VaR

The relative VaR method is used for sub-funds for which a benchmark portfolio or index with no derivatives and that reflects the investment strategy implemented by the sub-fund has been defined. The relative VaR of a sub-fund is expressed in the form of a multiple of the VaR of a benchmark portfolio or index and is limited to at most twice the VaR of the said benchmark portfolio or index. The benchmark portfolio used in the context of the VaR, as modified where appropriate, may differ from the benchmark index mentioned in

the investment objectives and policies, risk profile and investor profile of the different sub-funds, in the risk section of a given sub-fund.

b. Commitment method

Unless indicated otherwise in the investment objectives and policies, risk profile and investor profile of the different sub-funds, in the risk section of a given sub-fund, the sub-funds calculate the overall exposure arising from their use of financial derivative instruments on the basis of their commitments. The use of financial derivative instruments by these sub-funds will not significantly change their risk profile compared to what it would be without the use of such instruments.

The SICAV shall ensure that the overall exposure to financial derivative instruments of any sub-fund does not exceed 100% of its net asset value at any time.

The overall exposure of a sub-fund may therefore not exceed 200% of its net asset value. In addition, this overall exposure may not be extended by more than 10% by means of temporary borrowing (referred to in section 4, point 8) such that it may not exceed 210% of the net asset value of a sub-fund under any circumstances.

5. REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 27 NOVEMBER 2019 ON SUSTAINABILITY-RELATED DISCLOSURES IN THE FINANCIAL SERVICES SECTOR (THE “REGULATION”)

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability disclosure in the financial services sector (the “Regulation”) establishes harmonised rules for the SICAV on transparency with regard to the integration of sustainability risks and the consideration of negative sustainability effects in its processes and the provision of sustainability information.

Based on the Fund’s investment objectives, the Management Company has decided that sustainability risks are not relevant for the purposes of the assessment required under Article 6(1) of the Regulation, and, in accordance with Article 7(2) of the Regulation, the Management Company confirms that it does not consider the negative impact of investment decisions on sustainability factors because the Fund’s proprietary analysis tool has not identified any material risks relating to environmental, social or governance factors in relation to the Fund’s investment policy at this time.

In accordance with Article 7 of Regulation (EU) 2020/852 on the establishment of a framework to promote sustainable investment, the Management Company confirms that, although Fund’s underlying investments do not take into account the EU criteria for environmentally sustainable economic activities and the Fund does not have a set objective to simultaneously promote environmental factors, social or governance factors, its universe is defined using a strict analysis of governance factors and forward-looking macro-social growth and life factors, so that its investments are made deliberately avoiding environmental, social or governance risks on a macro and micro basis.

The underlying investments of the Fund’s so-called Article 6 sub-funds under Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector do not take into account the European Union’s criteria for environmentally sustainable economic activities.

IV. THE SHARES

1. GENERAL CONSIDERATIONS

The capital of the SICAV is represented by the assets of the various sub-funds of the SICAV. Subscriptions are invested in the assets of the respective sub-fund.

All shares of the SICAV must be fully paid up. Their issue is not limited in number. Nevertheless, the Board of Directors may restrict the frequency with which the shares will be issued in a sub-fund and/or share class; the Board of Directors may, in particular, decide that the shares of a sub-fund and/or share class will only be issued during one or more specific periods or up to a specified amount of net assets.

The shares of each sub-fund must have no indication of nominal value, and do not benefit from any preferential subscription rights during the issue of new shares. The rights attached to shares are those set out in the Luxembourg Law of 10 August 1915 on commercial companies, as amended, unless exempted by the Law of 2010. Each full share confers the right to one vote at General Meetings of Shareholders, regardless of its net asset value.

The SICAV is a sole and single legal entity. However, the assets of a given sub-fund only cover the debts, liabilities and commitments of that sub-fund. With regard to relations between shareholders, each sub-fund is treated as a separate entity.

2. CHARACTERISTICS OF THE SHARES

a) Classes and categories of shares

For each sub-fund, the Board of Directors may decide at any time to issue different share classes, which can also be subdivided into different share categories (capitalisation shares or distribution shares).

At the date of the Prospectus, the Board of Directors has decided to issue the following share classes for each sub-fund, which are distinguished in particular by the type of investors and/or the minimum investment amount and/or the accounting currency and/or the applicable management and sales fee, and/or a hedging policy and/or a subsequent subscription deadline, where applicable (see Chapter IV “The Shares” and Chapter VIII “Costs and Expenses”):

For the **Prosper Stars & Stripes Fund** sub-fund:

- The class “**Prosper Stars & Stripes Fund I EUR**” denominated in euro and reserved for institutional investors
- The class “**Prosper Stars & Stripes Fund I USD**” denominated in USD and reserved for institutional investors
- The class “**Prosper Stars & Stripes Fund I CHF**” denominated in CHF and reserved for institutional investors
- The class “**Prosper Stars & Stripes Fund R GBP**” denominated in GBP and intended for all types of investors
- The class “**Prosper Stars & Stripes Fund P EUR**” denominated in euro and intended for all types of investors
- The class “**Prosper Stars & Stripes Fund P USD**” denominated in USD and intended for all types of investors

- The class “**Prosper Stars & Stripes Fund P CHF**” denominated in CHF and intended for all types of investors
- The class “**Prosper Stars & Stripes Fund P GBP**” denominated in GBP and intended for all types of investors
- The class “**Prosper Stars & Stripes Fund 13**” denominated in USD and reserved for the founding shareholders of Prosper Professional Services SA
- The class “**Prosper Stars & Stripes Fund X USD**” denominated in USD and reserved for investors approved by the Board of Directors

The “**Prosper Stars & Stripes Fund 13**” share class has been closed for subscriptions since 5 October 2015.

The assets of these share classes are collectively invested according to the investment policy of the Prosper Stars & Stripes Fund sub-fund, but a hedging policy will apply to the share classes of the **Prosper Stars & Stripes Fund** sub-fund denominated in EUR, CHF and GBP. These classes denominated in EUR, in CHF and in GBP benefit from a management technique aimed at best hedging the exchange risk linked to the currencies held in the portfolio. The exchange hedging technique used consists of a periodic roll-over of forward foreign exchange contracts.

For the **Global Macro Fund** sub-fund:

- The class “**Global Macro I EUR**” denominated in euro and reserved for institutional investors
- The class “**Global Macro I USD**” denominated in USD and reserved for institutional investors
- The class “**Global Macro I CHF**” denominated in CHF and reserved for institutional investors
- The class “**Global Macro R GBP**” denominated in GBP and intended for all types of investors
- The class “**Global Macro P EUR**” denominated in EUR and intended for all types of investors
- The class “**Global Macro P USD**” denominated in USD and intended for all types of investors
- The class “**Global Macro P CHF**” denominated in CHF and intended for all types of investors
- The class “**Global Macro X EUR**” is denominated in euro and reserved for investors approved by the Board of Directors.

The assets of these nine share classes are jointly invested according to the investment policy of the **Global Macro Fund** sub-fund. A hedging policy will apply to the share classes of the **Global Macro Fund** sub-fund denominated in USD, GBP and CHF. These classes denominated in USD, GBP and CHF benefit from a management technique aimed at best hedging the exchange risk linked to the currencies held in the portfolio. The exchange hedging technique used consists of a periodic roll-over of forward foreign exchange contracts.

At the date of the Prospectus, the share classes of the sub-funds offer only capitalisation shares.

In principle, distribution shares give their owners the right to receive dividends in cash, taken from the quota of net assets of the sub-fund or class attributable to the distribution shares in that sub-fund or that class (in this regard, see Chapter VI “Distributions”).

Capitalisation shares do not confer the right to receive dividends. Following each annual or interim cash distribution of dividends on the distribution shares, the quota of net assets in the sub-fund or class attributed to all the distribution shares will be reduced by an amount equal to the amount of dividends

distributed, and this will therefore reduce the percentage of net assets in the sub-fund or class attributable to all the distribution shares; while the quota of net assets in the sub-fund or class attributable to all the capitalisation shares will remain the same, thus leading to an increase in the percentage of net assets of the sub-fund or class attributable to all the capitalisation shares.

The breakdown of the value of net assets in a sub-fund or class, between all the distribution shares on the one hand and all the capitalisation shares on the other, is carried out in accordance with Article 13 of the Articles of Association.

The net value of a share thus depends on the value of the net assets in the sub-fund or class for which that share was issued and, within the same sub-fund or the same share class, its net value may vary depending on whether it is a distribution share or an accumulation share.

The Board of Directors will create a separate pool of net assets for each sub-fund. With regard to relations between shareholders, this pool will be attributed only to the shares issued for the sub-fund concerned, taking into account, if applicable, the breakdown of that pool between the classes and the distribution shares and capitalisation shares in that sub-fund.

The Board of Directors may subdivide the existing shares of each class and/or category of shares into a number of shares it determines itself, the total net asset value of these shares being equivalent to the net asset value of the existing subdivided shares at the time of subdivision.

b) Registered and paperless shares

Regardless of the sub-fund or category to which they relate, all shares may be issued in registered or paperless form, at the shareholder's option, with the exception of the "**Prosper Stars & Stripes 13**" class, which will only issue registered shares.

Registered shares are registered in the register of shares of the SICAV. A confirmation of registration will be provided to the shareholder. No registered certificate will be issued to the shareholders unless they so request.

Transfer documents for transfers of registered shares are available at the registered office of the SICAV or from the Transfer Agent and Registrar.

Paperless shares are represented by an entry in a securities account in the name of their owner or holder, with an approved account holder or settlement body.

The entry in the securities account will apply in the absence of specific instructions.

Registered shares may be converted into paperless shares and vice versa at the request and expense of the shareholder.

c) Fractional Shares

Fractions of shares may be issued, up to 3 decimal places. Fractions of shares do not have the right to vote at General Meetings. Conversely, fractions of shares have the right to dividends or other distributions that may be paid out.

d) ISIN codes

Sub-fund	Class	ISIN Code
Prosper Stars & Stripes Fund	Prosper Stars & Stripes Fund I EUR	LU0723588991
	Prosper Stars & Stripes Fund I USD	LU0723589023
	Prosper Stars & Stripes Fund I CHF	LU0723589296
	Prosper Stars & Stripes Fund R GBP	LU0999345902
	Prosper Stars & Stripes Fund P EUR	LU0723589379
	Prosper Stars & Stripes Fund P USD	LU0723589536
	Prosper Stars & Stripes Fund P CHF	LU0723589619
	Prosper Stars & Stripes Fund P GBP	LU0999346207
	Prosper Stars & Stripes Fund 13	LU0999367112
	Prosper Stars & Stripes Fund X USD	LU2021448704
Global Macro Fund	Global Macro I EUR	LU0927891365
	Global Macro I USD	LU0927891449
	Global Macro I CHF	LU0927891522
	Global Macro R GBP	LU0927891795
	Global Macro P EUR	LU0927891878
	Global Macro P USD	LU0927891951
	Global Macro P CHF	LU0927892090
	Global Macro X EUR	LU2021449009

3. ISSUE OF SHARES AND SUBSCRIPTION PRICE

The Board of Directors is authorised to issue shares of each sub-fund and class at any time and without limitation.

The shares of the “**Prosper Stars & Stripes Fund R GBP**” classes will be activated at a later date. The Board of Directors will set the initial subscription period and the prospectus will be amended accordingly.

All shares in the “**Prosper Stars & Stripes Fund I CHF**” class were redeemed in August 2015. This class may be reactivated at a later date. The Board of Directors will set the initial subscription period and the prospectus will be amended accordingly.

Shares of the classes “**Prosper Stars & Stripes X USD**” and “**Global Macro X EUR**” will be activated at a later date. The Board of Directors will set the initial subscription period and the prospectus will be amended accordingly.

Current subscriptions

The shares of all the sub-funds are issued at a price equal to the value of the net assets per share of the plus an entry fee of 5% maximum in favour of the approved intermediaries.

Subscription applications received by the Transfer Agent and Registrar within the limits described below will be processed, if accepted, at the net asset value per share of the respective sub-fund and class determined on that Valuation Day. Subscription requests received after this cut-off time will be processed on the following Valuation Day.

Prosper Stars & Stripes Fund	no later than 2:00 p.m.(Luxembourg time) 1 Working Day prior to a Valuation Day
Global Macro Fund	no later than 2:00 p.m.(Luxembourg time) 1 Working Day prior to a Valuation Day

Applications for subscription in the sub-funds will be for an amount to be invested in the sub-fund concerned or in a number of shares.

a) Minimum initial investment

The minimum initial investment required for any new investor is:

Sub-fund	Class	Minimum initial amount
Prosper Stars & Stripes Fund	Prosper Stars & Stripes Fund I EUR	NA
	Prosper Stars & Stripes Fund I USD	NA
	Prosper Stars & Stripes Fund I CHF	NA
	Prosper Stars & Stripes Fund R GBP	NA
	Prosper Stars & Stripes Fund P EUR	NA
	Prosper Stars & Stripes Fund P USD	NA
	Prosper Stars & Stripes Fund P CHF	NA
	Prosper Stars & Stripes Fund P GBP	NA
	Prosper Stars & Stripes Fund 13	NA
	Prosper Stars & Stripes Fund X USD	NA
Global Macro Fund	Global Macro I EUR	NA
	Global Macro I USD	NA
	Global Macro I CHF	NA
	Global Macro R GBP	NA
	Global Macro P EUR	NA
	Global Macro P USD	NA
	Global Macro P CHF	NA
	Global Macro X EUR	NA

b) Minimum subsequent investment

The minimum subsequent investment required for any shareholder is:

Sub-fund	Class	Minimum subsequent amount
Prosper Stars & Stripes Fund	Prosper Stars & Stripes Fund I EUR	NA
	Prosper Stars & Stripes Fund I USD	NA
	Prosper Stars & Stripes Fund I CHF	NA
	Prosper Stars & Stripes Fund R GBP	NA
	Prosper Stars & Stripes Fund P EUR	NA
	Prosper Stars & Stripes Fund P USD	NA
	Prosper Stars & Stripes Fund P CHF	NA
	Prosper Stars & Stripes Fund P GBP	NA
	Prosper Stars & Stripes Fund 13	NA
	Prosper Stars & Stripes Fund X USD	NA
Global Macro Fund	Global Macro I EUR	NA
	Global Macro I USD	NA
	Global Macro I CHF	NA
	Global Macro R GBP	NA
	Global Macro P EUR	NA
	Global Macro P USD	NA
	Global Macro P CHF	NA
	Global Macro X EUR	NA

The Board of Directors reserves the right to accept subscription requests for an amount less than that described above.

c) Payment of subscriptions

The subscription amount of each share is payable within the periods described below:

Prosper Stars & Stripes Fund	Within 3 Business Days following the applicable Valuation Day
Global Macro Fund	Within 3 Business Days following the applicable Valuation Day

The subscription amount of the shares shall be applied in the currency in which the net asset value per share is calculated in the respective sub-fund/share class.

The Board of Directors reserves the right to delay subscription applications if it is uncertain that the corresponding payment will reach the Custodian within the payment deadlines.

If a payment is received in connection with a subscription application after the expiry of the deadline provided for, the Board of Directors or its agent may process the request by either (i) applying a charge which reflects the interest owed at the customary market rate, or (ii) cancelling the allocation of the shares and, if necessary, accompanying it with a request for compensation for any loss resulting from the non-payment before the expiry of the deadline.

The SICAV may also accept subscriptions in the form of a transfer of an existing portfolio provided that the securities and assets in that portfolio compatible with the investment policy and investment restrictions applicable to the sub-fund concerned. For all securities and assets accepted in settlement of a subscription, a report shall be drawn up by the auditor of the SICAV in accordance with the provisions of Article 26-1 of the Law of 10 August 1915 on commercial companies, as amended. Unless otherwise decided by the Board of Directors, the investor concerned will be liable for the costs of this report.

d) Suspension and refusal of subscriptions

The Board of Directors of the SICAV may at any time suspend or interrupt the issue of the shares of a sub-fund of the SICAV. It may in particular do so under the circumstances described in chapter V “Net asset value of shares”, section 2. Suspension of the Calculation of the Net Asset Value, the issue price, redemption and conversion of shares. In addition, it may at its discretion and without justification:

- (a) refuse all or part a share subscription application,
- (b) redeem at any time shares held by persons who are not authorised to buy or hold shares in the SICAV.

When the Board of Directors decides to resume the issue of the shares of a sub-fund after suspending the issue for any period of time, all pending subscriptions will be executed on the basis of the same net asset value corresponding to the Valuation Day of the resumption of calculation.

e) Combating late trading and market timing

The Transfer Agent and Registrar of the SICAV will put in place adequate procedures to ensure that the request for subscription, redemption and conversion are received prior to the deadline for acceptance of orders, for the applicable Valuation Day.

The SICAV will not authorise the practices associated with late trading or market timing as defined in CSSF circular 04/146 or the practices associated with “active trading” or “excessive trading” (hereinafter “active trading”) defined as the subscription/redemption/conversion of shares in a single sub-fund within a short period of time and, if applicable, a significant amount, with the aim of seeking short-term profit. Both the active trading and market timing practices are unfavourable to other shareholders as they affect the performance of the sub-fund and disrupt the management of assets.

The Board of Directors may reject any subscription or conversion orders that are suspected of late trading or market timing. The Board of Directors may take all necessary measures to protect the other shareholders of the SICAV when such practices are suspected, in particular by applying an additional redemption fee of up to 2% in favour of the sub-fund; under this scenario, the shareholder will be notified beforehand to enable him to withdraw his redemption request.

f) Combating money laundering and terrorism financing

In connection with the fight against money laundering and terrorism financing, the SICAV will apply national and international measures which obligate subscribers to prove their identity to the SICAV. This is why, in order for a subscription to be deemed valid and acceptable by the SICAV, the subscriber must attach to the subscription form,

- if an *individual*, a copy of an identity document (passport or ID card), or,

- for a *legal entity*, a copy of the corporate documents (coordinated Articles of Association, published financial statements, excerpts from the commercial register, list of authorised signatories, a list of shareholders who hold, directly or indirectly, 25% or more of the capital or the voting rights, a list of directors), an ID document (passport or identity card) of the financial beneficiaries and the persons authorised to give instructions to the Transfer Agent and Registrar.

The documents must be duly certified by a public authority (that the Notary Public, police commissioner, consulate, or ambassador) in the country of residence.

This obligation is absolute, unless:

- the subscription form was delivered to the SICAV by one of its distributors (i) in a European Union member state, in the European economic area or in a third-party country with equivalent obligations to those in the amended law of 12 November 2004 on the fight against money laundering and terrorism financing, or (ii) by a branch or subsidiary of one of its distributors located in another country, if the parent company of that subsidiary or office is located in one of these countries and if the laws in that country and the internal rules of the parent company can guarantee the application of rules on the prevention of money laundering and terrorism financing, for that branch or subsidiary.
- the subscription form is sent directly to the SICAV and the subscription is paid either by:
 - o a bank transfer originated by a financial institution resident in one of these countries, or
 - o a cheque drawn on the personal account of the subscriber, in a bank resident in one of these countries, or a banker's draft issued by bank resident in one of these countries.

However, the Board of Directors must obtain a copy of the above ID documents, upon first request, from its Distributors or directly from the investor.

Before accepting a subscription, the SICAV may carry out additional enquiries in accordance with the national and international measures currently in force with regard to money laundering and the financing of terrorism.

4. REDEMPTION OF SHARES

By virtue of the Articles of Association and subject to the following provisions, any shareholder may at any time request that the SICAV redeem his shares. Shares redeemed by the SICAV will be cancelled.

Shareholders wishing to have the SICAV redeem all or part of their shares must make an irrevocable written request to the SICAV or the Transfer Agent and Registrar. The application must contain the following information: the identity and full address of the person requesting the redemption, with the fax number, number of shares to be redeemed, the sub-fund in question, the class (if applicable), details of whether the shares are registered or entered in an account, distribution or accumulation shares, if applicable, the name in which the shares are registered, the name and bank details of the person who will receive the payment.

The redemption request must be accompanied by the documents necessary to carry out the transfer, before the redemption price can be paid.

All shares presented for redemption to the Transfer Agent and Registrar within the limits described below will be processed, if accepted, at the net asset value per share of the respective sub-fund and class determined on that Valuation Day, less a redemption fee of a maximum of 3% in favour of the approved intermediaries. Redemption requests received after this cut-off time will be processed on the following Valuation Day.

Prosper Stars & Stripes Fund	no later than 2:00 p.m.(Luxembourg time) 1 Working Day prior to a Valuation Day
Global Macro Fund	no later than 2:00 p.m. (afternoon) (Luxembourg time) 1 Working Day prior to a Valuation Day

The redemption price of the shares will normally be paid within the periods described below, provided that all documents attesting the redemption have been received by the SICAV.

Prosper Stars & Stripes Fund	within 3 Business Days following the applicable Valuation Day
Global Macro Fund	within 3 Business Days following the applicable Valuation Day

Payment will be made in the currency in which the net asset value of the relevant sub-fund/share class is calculated or in another currency in accordance with the instructions set out in the redemption request, in which case conversion costs will be borne 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 appreciated or depreciated.

There will be no redemption of shares for a sub-fund during any period in which the calculation of the net asset value of the shares in that sub-fund has been temporarily suspended by the SICAV by virtue of its powers under Article 14 of the Articles of Association. In the case of large requests for redemption representing more than 10% of the net assets in a given sub-fund, the SICAV may redeem the shares but only at the redemption price it has determined after it was able to sell the necessary assets, as quickly as possible, taking into account the interests of all the sub-fund's shareholders, and when it has access to the proceeds of those sales. In such a case, a single price will be calculated for all the redemption, subscription and conversion applications submitted at the same time for that sub-fund.

5. CONVERSION OF SHARES

In accordance with the Articles of Association and subject to the following provisions, each shareholder may request the conversion of all or part of their shares into shares of another sub-fund or another class/category (and with such other sub-fund, either of the same class/category or of another class/category) at a price based on the respective net asset values of the shares of the different sub-funds and classes/categories concerned.

Any shareholder requesting such conversion may make a written request to the Transfer Agent and Registrar stating the amount to be converted and the form of the shares to be converted and specifying whether the shares of the new sub-fund/the new class/category are to be registered or registered in an account.

The procedure and prior notice regarding the redemption of shares also applies to conversion.

The number of shares to be allocated in the new sub-fund or the new class/category is determined using the following formula:

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

- A:** represents the number of shares to be allocated in the new sub-fund or the new class/category,
- B:** represents the amount to be converted in the initial sub-fund or class/category,
- C:** represents the net asset value, on the applicable valuation day, of the shares to be converted in the initial sub-fund or class/category,
- D:** is the exchange rate coefficient on the applicable valuation day between the currencies of the two sub-funds or classes/categories concerned. If the two sub-funds or classes/categories are held in the same currency, the coefficient is equal to 1,
- E:** represents the net asset value, on the applicable valuation day, of the shares to be allocated in the new sub-fund or the new class/category,

After the conversion, the Transfer Agent and Registrar will inform the shareholders of the number of new shares obtained upon conversion, as well as their price.

There will be no conversion of shares for a sub-fund during any period in which the calculation of the net value of the shares in question has been temporarily suspended by the SICAV by virtue of its powers under Article 14 of the Articles of Association. In the case of large requests for conversion to another sub-fund representing more than 10% of the net assets in a given sub-fund, the SICAV may redeem the shares but only at the redemption price it has determined after it was able to sell the necessary assets, as quickly as possible, taking into account the interests of all the sub-fund's shareholders, and when it has access to the proceeds of those sales. In such a case, a single price will be calculated for all the redemption, subscription and conversion applications submitted at the same time for that sub-fund.

V. NET ASSET VALUE OF THE SHARES

1. DEFINITION AND CALCULATION OF THE NET ASSET VALUE

The net asset value per share of each sub-fund and for each share class/category, if applicable, of the SICAV is calculated in Luxembourg by the Management Company under the responsibility of the Board of Directors of the SICAV.

The net asset value is determined each Valuation Day as described below for each sub-fund and/or share class and/or share/category on the basis of the prices known on that Valuation Day. Such prices are published by the stock exchanges concerned and by reference to the value of the assets held on behalf of the respective sub-fund in accordance with Article 13 of the SICAV's Articles of Association.

Prosper Stars & Stripes Fund

A net asset value corresponds to each business day (hereinafter referred to as the "Valuation Day") and is calculated/communicated on the following business day in Luxembourg, on the basis of the last known prices on that Valuation Day as published by the relevant stock exchanges and by reference to the value of the assets held on behalf of the relevant sub-fund, in accordance with the provisions of

Global Macro Fund

Article 13 of the SICAV's Articles of Association.

A net asset value corresponds to each business day (hereinafter referred to as the "Valuation Day") and is calculated/communicated on the following business day in Luxembourg, on the basis of the last known prices on that Valuation Day as published by the relevant stock exchanges and by reference to the value of the assets held on behalf of the relevant sub-fund, in accordance with the provisions of Article 13 of the SICAV's Articles of Association.

The value of the shares of each sub-fund and class and category of shares is obtained by dividing the net asset value of the assets of the sub-fund, class and category, if any, by the number of shares outstanding of such sub-funds, classes and categories, if any.

The Board of Directors will create a separate pool of net assets for each sub-fund. With regard to shareholder relations between themselves and with third parties, this pool will be attributed only to the shares issued for the sub-fund concerned, taking into account, if applicable, the breakdown of that pool between the categories and/or classes of shares in accordance with the provisions of the Articles of Association.

For the purpose of establishing these different pools of net assets:

1. If two or more classes/categories of shares relate to a specific sub-fund, the assets allocated to such classes and/or categories will be invested together according to the investment policy of the relevant sub-fund, subject to the specific requirements associated with those classes and/or categories of shares;
2. The proceeds resulting from the issue of shares of a class and/or category of shares of a given sub-fund will be allocated in the books of the SICAV to the relevant class and/or category of that sub-fund, it being understood that if several classes and/or categories of shares are issued for that sub-fund, the corresponding amount will increase the proportion of the net assets of that sub-fund attributable to the class and/or category of shares to be issued;
3. The assets, liabilities, income and expenses relating to such sub-fund/class and/or category will be allocated to such sub-fund/class and/or category;
4. if an asset derives from another asset, the latter will be allocated in the accounts of the SICAV to the same sub-fund as the asset from which it derives, and each time an asset is revalued, any increase or decrease in value will be allocated to the corresponding sub-fund;
5. if the SICAV has a liability that is attributable to an asset of a specific sub-fund or a transaction undertaken in connection with the assets of a particular sub-fund, that liability will be allocated to that sub-fund;
6. if one of the SICAV's assets or liabilities cannot be allocated to a particular sub-fund, it will be allocated to all sub-funds in proportion to the net asset value of the classes and/or categories of shares concerned or in such other manner as the Board of Directors shall determine in good faith;
7. following the payment of dividends to distribution shares of a given class and/or category, the net asset value of this class and/or category attributable to these distribution shares will be reduced by the amount of such dividends.

The assets of each sub-fund of the SICAV will be valued according to the following principles:

1. the UCI shares/units will be valued based on their final available official net asset value on the Valuation Day or unofficial net asset value if this is more recent (based on a likely net asset value estimated prudently and in good faith by the Board of Directors or based on other sources such as information provided by the manager of said UCI).
2. the value of cash in hand or on deposit, the sight notes and bills and accounts receivable, prepaid expenses, dividends and interest that are mature but not yet received, are represented by the face value of these assets unless it appears that such value is unlikely to be received; in such a case, the value will be determined by deducting such amount that the SICAV deems adequate, in order to reflect the real value of these assets;
3. valuations of transferable securities (i) listed or traded on a regulated market as defined by the Law of 2010 or (ii) traded on another market in an EU member state which is regulated, and is operated in a way which is lawful, recognized and open to the public or (iii) officially listed on a stock exchange in a state which is not part of the EU or traded on another market in a state which is not part of the EU which is regulated and operates in a way which is lawful, recognized and open to the public (all three of which may be described as 'Regulated Markets'), are based on the last known closing price on the Valuation Day and if these transferable securities are traded on several markets, on the last known closing price on the main market for these securities on the Valuation Day. If the last known closing price on the specified Valuation Day is not representative, the valuation will be based on the probable realisable value estimated prudently and in good faith;
4. transferable securities not listed or not tradable on a Regulated Market will be valued based on their probable realisable value estimated prudently and in good faith;
5. the liquidation value of futures contracts and option contracts which are not traded on Regulated Markets shall be their net liquidation value defined in accordance with the policies set out by the Board of Directors on a basis which is applied consistently to each type of contract. The liquidation value of futures contracts or option contracts traded on Regulated Markets will be based on the last available settlement price for these contracts on the Regulated Markets on which these futures contracts or option contracts are traded by the SICAV; however, if a futures contract or option contract cannot be liquidated on the day the net assets are valued, the basis used to determine the liquidation value of this contract shall be determined by the Board of Directors in a fair and reasonable manner.
6. interest rate swaps shall be valued at their market value which shall be calculated based on the curve for the applicable rates. Swaps on indexes or financial instruments shall be valued at their market value which shall be calculated based on the relevant index or financial instrument. Swap contracts relating to these indexes or financial instruments shall be valued based on the market value of these swap transactions in accordance with procedures laid down by the Board of Directors.
7. if permissible, liquid assets, money market instruments and all other instruments may be valued at the latest known closing prices on the Valuation Day or on a straight-line basis. In case of straight-line depreciation, portfolio positions will be regularly reviewed under the supervision of the Board to determine whether there is a difference between the valuation using the last known closing prices method and the linear depreciation method. If there is a likelihood of significant dilution or harm to the shareholders, appropriate corrective measures may be taken, including, where necessary, calculation of the net asset value using the last known closing prices;

8. The value of contracts for difference will be calculated based on the market value of the underlying asset and take account of costs inherent to the transaction (i.e. cost of borrowing, remuneration of the collateral or funding cost of the counterparty, as the case may be);
9. values expressed in a currency other than the currency of expression of the sub-fund or class of shares in question are translated at the exchange rate on the Valuation Day. If exchange rates are not available, they are determined prudently and in good faith in accordance with the procedures established by the Board of Directors;
10. All other assets are valued on the basis of the probable realisation value, which should be estimated with prudence and good faith;
11. The Board of Directors may, at its sole discretion, approve the use of a different valuation method if it believes that such valuation better reflects the fair value of an asset held by a SICAV.

Appropriate deductions will be made for the expenses to be borne by the SICAV and the liabilities of the SICAV will be taken into account according to fair and prudent criteria. Adequate provisions will be made to this end.

2. SUSPENSION OF CALCULATION OF THE NET ASSET VALUE AND ISSUE, REDEMPTION AND CONVERSION OF SHARES

The Board of Directors is authorised to temporarily suspend the calculation of the value of the net assets of one or more sub-funds of the SICAV, and the issue, redemption and conversion of shares in such sub-fund(s) in the following cases:

- a) if the net share value of the shares or units in the underlying UCI representing a substantial part of the investments of the sub-fund cannot be determined;
- b) during all or part of any period when one of the leading stock markets or regulated markets on which a substantial proportion of the portfolio of one or more sub-funds is traded or quoted in closed other than for ordinary holidays, or during which dealings on these markets are restricted or suspended;
- c) if the SICAV cannot normally dispose of the investments of one or more sub-funds or value them, or cannot do so without causing serious loss to the interests of the shareholders;
- d) during any breakdown in the means of communication needed to determine the price or value of the assets of one or more sub-funds or if, for any reason, it is not possible to determine the value of the assets of one or more sub-funds;
- e) if the realisation of investments of the transfer of funds involved in such realisations cannot take place at normal price exchange rates, or when the SICAV is unable to repatriate the funds with the aim of making payments on the redemption of shares;
- f) in the case of large requests for redemption and/or conversion representing more than 10% of the net assets in a given sub-fund, the SICAV may redeem the shares but only at the redemption price it has determined after it was able to sell the necessary assets, as quickly as possible, taking into account the interests of all the sub-fund's shareholders, and when it has access to the proceeds of those sales;

- g) when the Board of Directors so decides, subject to compliance with the principle of equal treatment between the shareholders and applicable law and regulations, (i) upon the convocation of an Extraordinary General Meeting of the shareholders of the SICAV to declare the liquidation of the SICAV or a sub-fund, or (ii) where the Board of Directors has the power to do so, as soon as it has decided to liquidate a sub-fund.

Subscribers and shareholders offering shares for redemption or conversion will be notified of the suspension of the calculation of the net asset value.

Pending subscriptions and requests for redemption or conversion may be withdrawn by written notification provided that such notification is received by the SICAV before the end of the suspension.

Subscriptions, redemptions and/or conversions will be considered on the first Valuation Day following the end of the suspension.

VI. DISTRIBUTIONS

On the date of the Prospectus, only capitalisation shares will be issued and therefore the income from the shares will be capitalised and their value will be reflected in the net asset value.

If the Board of Directors decides to issue distribution shares, the following provisions will apply.

Distribution policy

At the Annual General Meeting, the shareholders in the SICAV will determine, upon a proposal by the Board of Directors, the total cash distributions to be made on the distribution shares for the various sub-funds or classes of shares in question, in accordance with the limits imposed by the Law of 2010 and by the Articles of Association. Therefore, the distributed amounts may not reduce the SICAV's capital below the fixed minimum of EUR 1,250,000.

The Board of Directors may decide, in any sub-fund and in each share class, if any, to distribute interim cash dividend on the distribution shares, in accordance with current laws.

Payment

Dividends and interim dividends allocated to distribution shares will be paid at the time and place determined by the Board of Directors.

Any declared dividend that has not been claimed by the beneficiary within five years from the date of allocation may not be claimed and shall revert to the sub-fund or the share class in question. No interest will be paid on a dividend declared by the SICAV and kept for the availability of the beneficiary.

VII. TAXATION

1. TAX TREATMENT OF THE SICAV

The SICAV is subject in Luxembourg to a tax corresponding to 0.05% p.a. of its net assets. This tax falls to 0.01% p.a. of net assets in the case of classes intended for institutional investors. This tax is payable quarterly on the basis of the net assets of the SICAV at the end of the relevant quarter. Subscription tax is not payable on round lots of assets invested in UCIs already subject to this tax. No stamp duty or other tax is payable in Luxembourg at the time of issue of shares in the SICAV.

No taxes are paid in Luxembourg on any gains that are realised or not realised on the SICAV's assets. The income on investments received by the SICAV may be subject to variable levels of withholding tax in the countries concerned. These withholding taxes cannot, on principle, be recovered. The above indications are based on the laws and current practices and are subject to change.

2. AUTOMATIC EXCHANGE OF INFORMATION

European Directive 2014/107/EU of 9 December 2014 (the "Directive"), amending Directive 2011/16/EU as regards the mandatory automatic exchange of information in the field of taxation and all other international agreements such as those adopted or to be adopted as part of the information exchange standards developed by the OECD (more generally known under the name "Common Reporting Standards" or "CRS"), requires participating jurisdictions to obtain information from their financial institutions and to exchange this information with since 1 January 2016.

Pursuant notably to the Directive, investment funds, as financial institutions, are required to collect specific information in order to properly identify their investors.

The Directive also stipulates that investors' personal and financial data¹ are:

- of natural or legal persons required to make declarations² or
- passive non-financial entities (NFE)³ which are controlled by persons who are required to submit declarations⁴,

shall be forwarded by the Financial Institution to the relevant local tax Authorities which in turn shall notify this information to the tax Authorities in the country or countries where the Investor resides.

If the units of the SICAV are held in an account with a financial institution, it is the responsibility of the latter to exchange the information.

Consequently, the SICAV, directly or indirectly (i.e. through an intermediary appointed to this effect):

¹ Including but not limited to: name, address, country of residence, tax identification number, place and date of birth, bank account number, income, value of sales redemption or repayment proceeds, valuation of the "account" at the end of the calendar year or at the end thereof.

² Natural or legal persons not residing in the country of incorporation of the SICAV but residing in a participating country. The list of countries participating in the automatic exchange of information can be found on the <http://www.oecd.org/tax/automatic-exchange/website>.

³ Non-financial entity, that is an Entity which is not a financial institution pursuant to the Directive.

⁴ Natural or legal persons not residing in the country of incorporation of the SICAV but residing in a participating country. The list of countries participating in the automatic exchange of information can be found on the <http://www.oecd.org/tax/automatic-exchange/website>.

- may have cause, at any time, to request and obtain from each investor an update of the documents and information already supplied as well as any other document or additional information for whatever purposes;
- is required pursuant to the Directive to notify all or some of the information supplied by the investor in connection with the investment in the SICAV to the competent local tax authorities.

Investors are advised of the potential risk of inaccurate and/or incorrect exchange of information in the event that the information they provide is no longer accurate or complete. In the event of a change affecting the notified information, the investor undertakes to inform the SICAV (or any intermediary appointed to this effect), as soon as possible and to provide, where applicable, new certification within 30 days with effect from the event that rendered this information inaccurate or incomplete.

The mechanisms and scope of application of these arrangements for exchanging information may change in future. It is recommended that all investors should consult their own tax advisers to ascertain the possible impact of CRS regulations on an investment in the SICAV.

In Luxembourg, investors are entitled, pursuant to the Law of 2 August 2002 relating to personal protections as regards the processing of data of a personal nature, the right to access and correct the data on them which is notified to the tax authorities. This data will be retained by the SICAV or any intermediary appointed to this effect in accordance with the stipulations of said law.

3. FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")

The Foreign Account Tax Compliance Act ("**FATCA**"), consisting of the American HIRE Law, was adopted in the USA in 2010 and came into force on 1 July 2014. It obligates financial institutions established outside of the USA (foreign financial institutions - **FFI**) to transmit information about the financial accounts held by Specified US Persons or non-US entities of which one or more controlling persons is/are a Specified US Person(s) (These financial accounts are collectively referred to as "**Declarable US Accounts**") to the Internal Revenue Service, "**IRS**") each year. A 30% US withholding tax is imposed on US-sourced payments to FFIs that fail to comply with FATCA rules ("**Non-Participating FFIs**").

On 28 March 2014, the Grand Duchy of Luxembourg made an intergovernmental agreement with the USA ("**the Luxembourg IGA**"). The SICAV, considered as an FFI, are obliged to conform to the Luxembourg IGA as enacted into national law following ratification, rather than directly complying with the FATCA regulations as issued by the American government.

Under the Luxembourg IGA, the SICAV is required to collect specific information to identify its shareholders and all intermediaries ("Nominees") acting on their behalf. Data relating to Reportable US Accounts in the possession of the SICAV, and information about the non-participating FFI will be shared with the Luxembourg tax authorities who will automatically exchange the information with the relevant authorities in the USA.

The SICAV is committed to respecting the provisions of the Luxembourg IGA as enacted into national law following ratification, in order to be deemed FATCA compliant and not be subjected to the withholding tax of 30% on its American investments or those deemed to be such. In order to guarantee such compliance, the SICAV and its authorised agents

- a. May require additional information or documentation, including US tax forms (Forms W-8 / W-9), a GIIN (Global Intermediary Identification Number) if required by the situation or any other written proof of the identity of a shareholder or a nominee and their respective status under the FATCA rules.

- b. Send the Luxembourg tax administration information about a Shareholder and his account if considered a Reportable US Account under the Luxembourg IGA or if the account is deemed to be held by a Non-Participating FFI, and c.
- c. If required by the situation, may verify that the applicable US withholding taxes have been deducted from payments made to certain Shareholders, in accordance with the FATCA.

The concepts and terms of FATCA must be interpreted and understood in the light of the definitions of the Luxembourg IGA and the applicable ratifying texts transposing it into national law, and only on an ancillary basis according to the definitions in the Final Regulations issued by the American government (www.irs.gov).

The SICAV may, in order to comply with FATCA, be required to notify to the American or Luxembourg tax authorities the personal data of certain US persons, non-participating FFIs and passive non-financial foreign entities (Passive NFFEs) of which one or more of the controlling Persons is a US Person.

In the case of any doubt as to their status for FATCA purposes or regarding the implications of the FATCA law or the IGA in their personal circumstances, investors should consult their financial, legal or fiscal advisers before subscribing to shares in the SICAV.

4. DIRECTIVE 2018/822/EU - “CAD 6”

Directive (EU) 2018/822 amending EU Council Directive 2011/16 on the automatic and obligatory exchange of information for tax purposes in relation to reportable cross-border arrangements, known as “CAD 6”, entered into force on 25 June 2018. Luxembourg transposed it into national law on 25 March 2020. In view of the COVID-19 pandemic, on 24 June 2020 the EU Council adopted the possibility of postponing the initial notification dates for declarations by 6 months. Therefore, in Luxembourg, the original effective date of the CAD 6 Directive of 1 July 2020 is replaced by 1 January 2021.

The primary objective of the CAD 6 Directive is to ensure that Member States obtain information on “potentially aggressive” cross-border tax arrangements, i.e. arrangements that are set up in different jurisdictions that allow taxable profits to be shifted to more favourable tax regimes or that have the effect of reducing the taxpayer’s total tax base.

As a result, from 1 January 2021, any intermediary^[1] (as defined in the CAD 6 Directive) is obliged to notify, by means of a declaration, within 30 days from the first steps of the implementation of the structure, any potentially aggressive cross-border device, depending on the marker^[2] identified.

The Management Company is a potential intermediary within the meaning of CAD 6 and may have to report cross-border devices that have one or more markers.

The CAD 6 Directive covers any scheme that was implemented on or after 25 June 2018, the date of entry into force of the Directive.

As a transitional measure, where the first step for the implementation of a cross-border scheme was taken between 25 June 2018 and 30 June 2020 and between 1 July 2020 and 31 December 2020, the scheme had to be declared by 28 February 2021 and 31 January 2021, respectively.

^[1] Any person who designs, markets or organises a notifiable transboundary device, makes it available for implementation or manages its implementation (Article 3, point 21).

^[2] A characteristic or feature of a cross-border arrangement that indicates a potential risk of tax evasion, [...] (Article 3, point 20).

Shareholders, as taxpayers, are likely to be secondarily responsible for the reporting of cross-border arrangements falling within the scope of the CAD 6 Directive and should therefore consult their tax advisors for further information.

VIII. COSTS AND EXPENSES

1. PRINCIPAL COSTS AND EXPENSES OF THE SICAV

a) Launch expenses

The expenses relating to the formation and launch of the SICAV have been estimated at EUR 12,750 and will be amortised over the first five financial years. If a new sub-fund is created during this five-year period, it shall bear the costs of creating the SICAV that have not yet been amortised, and on a pro rata basis on its net assets. During the same five-year period and in return, the costs of establishing this new sub-fund will also be borne by the other sub-funds pro rata to the net assets of all the sub-funds. After this five-year period, the specific costs of creating a new sub-fund will be fully amortised, from the time they arise, against the assets of the sub-fund.

b) Management, performance and marketing fees

1) Management Company fees

In return for its services, the Asset Management Company receives an annual fee from the SICAV. This fee is calculated at a rate of 0.15%, and may be no less than EUR 15,000, per year and per sub-fund. This fee is payable on a quarterly basis and calculated based on average net assets in the sub-funds during the quarter under review.

In return for its services as Currency Risk Manager for the **Prosper Stars & Stripes Fund**, sub-fund, the Management Company receives an annual fee of 0.08% per annum from the SICAV for the share classes of the **Prosper Stars & Stripes Fund** sub-fund denominated in EUR, GBP and CHF. This fee is payable on a quarterly basis and calculated based on average net assets in the relevant share classes during the quarter under review.

In return for its services as Currency Risk Manager for the **Global Macro Fund** sub-fund, the Management Company receives an annual fee of 0.05% per annum from the SICAV for the share classes of the **Global Macro Fund** sub-fund denominated in USD, GBP and CHF. This fee is payable on a quarterly basis and calculated based on average net assets in the relevant share classes during the quarter under review.

Furthermore, in return for management and marketing services, the Asset Management Company receives an annual fee, shown in the table below, from the investment company with variable capital. This is payable on a quarterly basis and calculated based on average net assets in each of the sub-funds' share classes over the course of the quarter under review.

Sub-fund	Share classes	Rates
Prosper Stars & Stripes Fund	Prosper Stars & Stripes Fund I EUR	1.4% per year
	Prosper Stars & Stripes Fund I USD	1.4% per year
	Prosper Stars & Stripes Fund I CHF	1.4% per year
	Prosper Stars & Stripes Fund R GBP	1.4% per year
	Prosper Stars & Stripes Fund P EUR	2% per year
	Prosper Stars & Stripes Fund P USD	2% per year
	Prosper Stars & Stripes Fund P CHF	2% per year
	Prosper Stars & Stripes Fund P GBP	2% per year
	Prosper Stars & Stripes Fund 13	1.2% per year
	Prosper Stars & Stripes X USD	Max. 1.4% per year
Global Macro Fund	Global Macro I EUR	1.2% per year
	Global Macro I USD	1.2% per year
	Global Macro I CHF	1.2% per year
	Global Macro R GBP	1.2% per year
	Global Macro P EUR	2% per year
	Global Macro P USD	2% per year
	Global Macro P CHF	2% per year
	Global Macro X EUR	Max. 1.2% per year

2) Performance fee

The Management Company is also entitled to receive, on the net assets of the relevant Share Class of the relevant Sub-Fund, a performance fee (the “**Performance Fee**”) based on a High Water Mark model according to which the Performance Fee is only payable on the basis of the achievement of a new High Water Mark (as defined below) during the performance reference period.

The performance reference period, which is the period at the end of which past losses can be reset, is the entire life of the Class. There are no plans to reset past losses for the purpose of calculating Performance Fees.

The Performance Fee is calculated for each Share Class within the Sub-fund on each Valuation Day according to the methodology described below.

The applicable Performance Fee rate is a percentage of the difference between the Net Asset Value per share (the “**NAV**”) and the High Water Mark (as defined below) multiplied by the number of shares outstanding on the relevant Valuation Day. The Performance Fee is calculated on the NAV after deduction of all fees and commissions and including subscriptions, redemptions and dividend distributions since the accrual of the last Performance Fee.

The applicable Performance Fee rate is set as follows:

Sub-fund	Share class	Rates
Prosper Stars & Stripes Fund	All share classes except Prosper Stars & Stripes Fund 13	18% per year
	Prosper Stars & Stripes Fund 13	15% per year
Global Macro Fund	All share classes	15% per year

The High Water Mark is defined as the highest NAV ever achieved since the launch of the Share Class (the “HWM”). Accordingly, if on any Valuation Day the NAV exceeds the HWM:

- a Performance Fee is accrued and payable, and
- a new HWM is established.

The HWM will be reduced by any dividends paid to Shareholders of the relevant Share Class.

The initial High Water Mark corresponds to the preceding highest NAV ever achieved since the launch of the Share Class.

No Performance Fee will be paid if the relevant NAV falls below the HWM and for as long as it remains below the HWM.

Unless otherwise specified above, the amount of the Performance Fee due is payable quarterly after the relevant quarter.

When a Share Class is closed (e.g. in case of total redemption, merger, liquidation, transfer), **any Performance Fee accrued as of the relevant Valuation Day will be paid** to the Management Company.

Upon the date of termination of the Framework collective portfolio management agreement with the Management Company entitled to a Performance Fee, **any Performance Fee due on such termination date shall be paid** to the Management Company.

Example (based on a performance fee rate of 20%):

	NAV before PF	HWM (per Share Class)	NAV performance	PF	NAV after PF
Day 1:	110.0	100.0	10.0%	2.0	108.0
Day 2:	105.0	108.0	-2.8%	0.0	105.0
Day 3:	113.0	108.0	4.6%	1.0	112.0

(PF = Performance fee)

Day 1:

The performance of the NAV compared to the HWM is positive (10%) and generates a performance fee of 2. The HWM is then set at 108.

Day 2:

The performance of the NAV compared to the HWM is negative (-2.8%) and no performance fee is calculated. The HWM remains unchanged.

Day 3:

The performance of the NAV compared to the HWM is positive (4.6%) and generates a performance fee of 1. The HWM is then set at 112.

3) Commissions of Roubaix Capital LLC

In return for its services as a manager, Roubaix Capital LLC receives an annual fee from the Management Company at the rate agreed between the parties for the **Prosper Stars & Stripes Fund** sub-fund. This fee is payable on a quarterly basis and calculated based on average net assets in the Prosper Stars & Stripes Fund sub-fund during the quarter under review.

4) Commissions of Plurimi Wealth LLP

In return for its services as a manager, Plurimi Wealth LLP receives an annual fee from the Management Company at the rate agreed between the parties for the **Global Macro Fund** sub-fund. This fee is payable quarterly and is calculated on the basis of the **Global Macro Fund** sub-fund's average net assets during the quarter under review.

5) Fees of Prosper Professional Services SA

In return for its services as a global Distributor, Prosper Professional Services SA furthermore receives an annual fee from the Management Company at the rate agreed between the parties for the sub-funds. This fee is payable on a quarterly basis and calculated based on average net assets in the relevant sub-fund during the quarter under review.

c) Custodian and Paying Agent fee

In return for its services, the Custodian will receive an annual fee from the SICAV. This fee is calculated at a rate of 0.15%, and may be no less than EUR 10,000, per year and per sub-fund. This fee is payable on a quarterly basis and calculated based on average net assets in the relevant sub-fund during the quarter under review.

d) Domiciliary Agent, Administrative Agent, Transfer Agent and Registrar fees

In return for its duties as Domiciliary Agent, Administrative Agent, Transfer Agent and Registrar for the SICAV, the Management Company will receive the following remuneration from the SICAV:

1) Domiciliary Agent

A fixed sum of EUR 7,500.00 per annum for the SICAV as a whole, payable on an annual basis.

2) Administrative Agent

A fixed sum of EUR 26,400 per annum and per sub-fund, payable on a quarterly basis.

3) Transfer Agent and Registrar

A fixed sum of EUR 30 per transaction (subscription/redemption/conversion) and a fixed sum of EUR 2,500 per annum and per sub-fund, payable on a quarterly basis.

2. OTHER COSTS CHARGED TO THE SICAV

The SICAV shall bear all other operating costs, including, without limitation, the costs of incorporation and further amendment to the Articles of Association and other incorporating documents, commissions and fees payable to paying agents, correspondents of the Custodian and other agents and employees of the SICAV, as well as to permanent representatives of the SICAV in the countries where it is subject to registration, costs of legal representation, research and revision of the SICAV's annual accounts, promotion costs, printing and publication costs of share sales documents, printing costs for annual and interim financial reports, costs for holding meetings of shareholders and meetings of the Board of Directors, reasonable travel expenses of officers and directors, attendance fees, the costs of the registration declarations, all taxes and duties levied by government and supervisory authorities and by the stock exchanges, the costs of publishing the issue, redemption and conversion prices and any other operating expense including financial charges, banking charges and brokerage charges incurred at the time of the sale or purchase of assets or otherwise, and any other administration costs.

Costs and expenses that are not attributable to a particular sub-fund will be charged to the respective sub-funds in proportion to their respective net assets.

The SICAV may have recourse to certain independent directors or to managers, the Management Company or the Global Distributor. This may result in costs for the SICAV of at most EUR 25,000.00 per year to be paid by the SICAV. This does not include any taxes such as VAT where applicable.

IX. FINANCIAL YEAR - MEETINGS

1. FINANCIAL YEAR

The financial year starts on 1 January and ends on 31 December of each year, with the exception of the first financial year, which begins on the incorporation date of the SICAV and ended on 31 December 2010.

2. MEETINGS

The Annual General Meeting is held in Luxembourg at the registered office of the SICAV or at such other place as may be specified in the notice of meeting on the last Wednesday of April at 11:00 a.m.

If this day is not a Business Day in Luxembourg, the Annual General Meeting shall be held on the following Business Day.

The notice of the Annual General Meetings specifying the date, time, place, conditions of admission, agenda and requirements of Luxembourg law with regard to the necessary quorum and majority will be published and sent in accordance with Luxembourg law.

The shareholders of the class(es) of shares issued for a sub-fund may at any time hold General Meetings for the purpose of considering matters relating solely to that sub-fund.

In addition, the shareholders of the class/category of shares may at any time hold General Meetings for the purpose of considering matters relating solely to that class/category.

Resolutions taken at such meetings apply to the SICAV, the sub-fund and/or the class/category of shares concerned.

X. DISSOLUTION AND LIQUIDATION OF THE SICAV

1. GENERAL CONSIDERATIONS

The SICAV may be dissolved on a voluntary basis or on a judicial basis.

The SICAV is, after its dissolution, deemed to exist for its liquidation. In case of voluntary liquidation, it is subject to the supervision of the CSSF.

The net product of the liquidation of each sub-fund and, if applicable, each class/category of shares, will be distributed by the liquidators to the shareholders in proportion to their quota of the net assets of the sub-fund or the class/category of shares from which the shares come, in accordance with the Articles of Association.

Liquidation proceeds which cannot be distributed to their beneficiaries within nine months of the decision to liquidate will be deposited with the Caisse de Consignation in Luxembourg in favour of their beneficiaries until the end of the legal prescription period.

2. VOLUNTARY LIQUIDATION

Any voluntary liquidation will be carried out in accordance with the Law of 2010 and the Law of 1915, which define the procedure and the measures to be taken.

The SICAV may be wound up at any time by a decision of the General Meeting of Shareholders which shall issue its decision according to the conditions required for amendment of the Articles of Association.

In addition, if the Company's capital falls below two-thirds of the minimum capital, currently EURO 1,250,000, the Board of Directors must submit the question of dissolution of the SICAV to the General Meeting, which shall issue its decision without any conditions on attendance, according to the simple majority of the shares present or represented at the Meeting. If the capital falls to less than one-quarter of the minimum capital, the Board of Directors must submit the issue of the SICAV's dissolution to the General Meeting, which shall issue a decision without any conditions on attendance; the dissolution may be declared by shareholders owning one-quarter of the shares present or represented at the Meeting. The meeting must be called in such a way that it is held within forty days of the date on which it is ascertained that the net assets have fallen below two-thirds or one quarter of the minimum capital, as the case may be.

When the SICAV is dissolved, the liquidation shall be carried out by one or more liquidators who may be individuals or legal entities, previously approved by the CSSF and appointed by the General Meeting, which shall also determine their powers and fees.

3. LEGAL LIQUIDATION

Any legal liquidation will be carried out exclusively in accordance with the Law of 2010, which defines the procedure and the measures to be taken.

XI. LIQUIDATION AND MERGER OF SUB-FUNDS, CLASSES AND CATEGORIES OF SHARES

The Board of Directors may decide to liquidate a sub-fund, a class or a category of shares if its net assets are less than an amount below which the sub-fund, the class or category of shares can no longer be adequately managed, or if changes in the economic or political situation influence the sub-fund, the class or category of shares and would justify the liquidation.

The decision on liquidation will be notified to the shareholders of the sub-fund, the class or category of shares before the effective date of liquidation. The notification will indicate the reasons, and the liquidation procedure. In order to inform the shareholders concerned, notice of the decision to close the sub-fund, the class or the category of shares and details of the liquidation procedure will be published in the press. The notice will be published in one or more Luxembourg publications and in one or more national publications in the countries in which the shares are distributed.

Unless the Board of Directors decides otherwise in the interests of shareholders or to maintain equal treatment between them, holders of shares in the sub-fund, the class or the category of shares concerned may continue to apply for the redemption or conversion of their shares, free of charge, on the basis of the applicable net asset value, while taking into account the estimated liquidation fees. The SICAV will reimburse each shareholder proportionally to the number of shares they hold in the sub-fund, the class or the category of shares. Liquidation proceeds which cannot be distributed to their beneficiaries within nine months of the decision to liquidate the sub-fund, the class or category of shares will be deposited with the Caisse de Consignation in Luxembourg in favour of their beneficiaries until the end of the legal prescription period.

Under the same conditions as those set out above, the Board of Directors may decide to close a sub-fund, a class or category of shares by merging it with another of the SICAV's sub-funds, classes or categories. In addition, the Board of Directors may decide on such a merger if this is in the interests of the shareholders of the sub-funds, classes or categories of shares concerned. Such decision will be published in the manner set out above. The publication will contain information about the new sub-fund, the new class or the new category of shares. The publication will be made at least one month before the merger takes effect in order to allow shareholders to apply for the redemption or conversion of their shares, free of charge, before the transaction takes effect. At the end of this period, all remaining shareholders will be bound by the decision.

Under the same conditions as those set out above, the Board of Directors may decide to close a sub-fund, a class or a category of shares by transferring it to another collective investment undertaking incorporated under Luxembourg law and created in accordance with the provisions of the Law of 2010 or to a sub-fund, class or category of shares within such other collective investment undertaking governed by Luxembourg law. In addition, the Board of Directors may decide on such a transfer if this is in the interests of the shareholders of the sub-fund or class or category of shares concerned. Such decision will be published in the manner set out above. The publication will contain information about the undertaking for collective investment in question. The publication will be made at least one month before the transfer takes effect in order to allow shareholders to request redemption or conversion of their shares, free of charge, before the transfer to this undertaking for collective investment takes effect. At the end of this period, all remaining shareholders will be bound by the decision.

If the shares are transferred to a collective investment undertaking incorporated in the form of a fonds commun de placement (mutual fund) under Luxembourg law, the transfer will only be binding on the shareholders of the sub-fund, class or category of shares concerned if they expressly approve the transfer

by a unanimous vote of the shareholders of the sub-fund, class or category of shares concerned. If this condition is not met, only those shareholders voting in favour of the transfer will be bound by the decision. The remaining shareholders will be deemed to have requested redemption of their shares.

XII. INFORMATION – DOCUMENTS AVAILABLE

1. AVAILABLE INFORMATION

a) Publication of the net asset value

The net asset value of each class and/or category of shares of each sub-fund, the issue prices and redemption prices shall be made public on each Valuation Day at the registered office of the SICAV. The Board of Directors may subsequently decide to publish these net asset values in the newspapers of the countries in which the shares of the SICAV are offered or sold. They can also be obtained from the Management Company.

b) Financial advice

Financial notices will be published in a newspaper of the country in which the SICAV is marketed whenever such publication is required by law and the applicable regulations. With respect to the Grand Duchy of Luxembourg, financial notices will be published in the “Luxemburger Wort”.

c) Periodic reports

Each year, the SICAV publishes a detailed report about its activities and the management of assets, including a balance sheet and profit and loss account expressed in Euros, a detailed breakdown of the assets in each sub-fund, and a report by the auditors.

After the end of each half-year, it will also publish a report including, the composition of the portfolio, the changes in the portfolio over the period, the number of shares in circulation and the number of shares issued and redeemed since the last publication.

The Board of Directors of the SICAV may decide to issue interim reports.

2. DOCUMENTS AVAILABLE TO THE PUBLIC

a) Documents available

In addition to the Prospectus, the KIIDs, the most recent annual and half-yearly reports published by the SICAV, copies of the Articles of Association may be obtained, free of charge, during normal business hours on each Business Day at the registered office of the SICAV, 12, Rue Eugène Ruppert, L-2453 Luxembourg.

Copies of the Prospectus, the KIID, the Articles of Association and the latest yearly and half-yearly reports can also be obtained on the website www.fundsquare.net.

Information about the procedure for the processing of investors' complaints, with a brief description of the strategy of the Management Company to determine when and how the voting rights tied to the instruments

held in the portfolio of the Company are to be exercised can be found on the Management Company's website: www.dpas.lu.

The Management Company has a remuneration policy ("the Policy") within the meaning of Article 111bis of the Law of 2010 and in compliance with the principles laid down by Article 111ter of the Law of 2010.

The Policy aims essentially to prevent risk-taking incompatible with sound and effective risk management, with the economic strategy, objectives, values and interests of the Management Company or the SICAV, with the interests of the SICAV's shareholders, to avoid conflicts of interest and to uncouple the decisions on control operations from the performance obtained. The Policy includes an assessment of the performance within a multiannual framework adapted to the holding period recommended to the SICAV's investors so as to ensure that the assessment process is based on the SICAV's long-term performance and investment risks. The variable component of remuneration is also based on a number of other qualitative and quantitative factors. The Policy contains an appropriate balance of fixed and variable remuneration components.

This Policy is adopted by the Board of Directors of the Management Company which is also responsible for its implementation and supervision. It applies to all benefits paid by the Management Company, and to all amounts paid directly by the SICAV itself including any performance commission, and to any transfer of shares in the SICAV to a category of personnel governed by the Policy.

Its general principles are assessed at least once a year by the Management Company's Board of Directors, and take into consideration the size of the Management Company and/or the size of the UCITS it manages.

Details of the up-to-date Policy of the Management Company can be found on the www.dpas.lu website. A hard copy can be provided free of charge, upon request.

b) Subscription form

The subscription form can be obtained upon request, from the head office of the SICAV.

c) Official language

The official language of the Prospectus and the Articles of Association is French, however the Board of Directors of the SICAV and the Custodian, the Administrative Agent, the Domiciliary Agent, the Transfer Agent and Registrar, and the Management Company may, on their own behalf and on behalf of the SICAV, consider translations into the languages in which the SICAV's shares are offered and sold to be obligatory. The French version shall prevail in the event of any discrepancy between the French text and any other language into which the Prospectus is translated.

**ANNEX TO THE PROSPECTUS OF PROSPER FUNDS SICAV (THE
“SICAV”)
INFORMATION FOR INVESTORS IN SWITZERLAND**

The sub-funds of the SICAV have not been approved by the Financial Services and Markets Authority (FINMA) as foreign collective investment schemes according to the meaning of article 120 of the federal law on collective investment schemes (“CISA”).

The shares of the SICAV may not be distributed to non-qualified investors in Switzerland and the Prospectus may not be made available to non-qualified investors in Switzerland.

1. PAYMENT OF RETROCESSIONS AND REBATES

a) Retrocessions

The Management Company and its agents may pay retrocessions to remunerate the distribution of the shares of the SICAV in Switzerland or from Switzerland. This compensation is used to pay for the following services, inter alia:

- Marketing and commercial development of the SICAV
- Investor information on the SICAV

Retrocessions are not considered rebates, even if they are ultimately returned in full or in part to investors.

The beneficiaries of retrocessions guarantee transparent publication and will disclose to investors spontaneously and free of charge the amount of the remuneration they may receive for the distribution.

On request, they will disclose the amounts actually received for the distribution of collective investment schemes to investors.

b) Rebates

Upon request, the Management Company and its agents may pay rebates directly to investors in connection with distribution in Switzerland or from Switzerland. Rebates are used to reduce the fees or costs incurred by the investors involved. Rebates are permitted subject to the following points:

- they are paid out of the expenses of the Management Company or its agents and are therefore not additionally charged to the assets of the SICAV;
- they are granted on the basis of objective criteria;
- they are granted at the same time and to the same extent to all investors who meet the objective criteria and request the rebates.

The objective criteria for granting rebates by the Management Company or its agents include:

- the volume subscribed by the investor or the total volume held by the investor in the collective investment scheme or, if applicable, in the range of products of the promoter;
- the amount of fees generated by the investor;
- the financial behaviour of the investor (e.g. expected investment period);

- the willingness of the investor to support the launch phase of a collective investment scheme

At the request of the investor, the Management Company or its agents will communicate, free of charge, the amount of the corresponding rebates.