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

Luxembourg, le 2021-06-01

Commission de Surveillance du Secteur Financier

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# PHARUS SICAV

(the « Company »)

Undertaking for Collective Investments in  
Transferable Securities (UCITS) under Luxembourg law

**Prospectus**

**May 2021**

**If you are in any doubt about the contents of this document or if you are considering subscribing for Shares of PHARUS SICAV (the "Fund") you should consult your bank manager, stockbroker, solicitor, accountant or other financial advisor.**

No person is authorised to give any information or to make any representation in connection with the issue of Shares of the Fund which is not contained or referred to herein or in reports attached hereto (if issued). Neither the delivery of this document nor the offer, issue or sale of Shares shall constitute a representation that the information given in this document is correct as of any time subsequent to the date hereof. No person receiving a copy of this document in any territory may treat the same as constituting an invitation to him to subscribe for Shares unless, in the relevant territory, such an invitation could lawfully be made to him without compliance with any registration or other legal requirement or where such registration or requirement has been complied with. It is the responsibility of any person wishing to acquire Shares to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory.

The Shares have not been and will not be registered under the Investment Company Act of 1940, or the securities laws of any of the States of the United States, nor is such registration contemplated.

The Fund represents and warrants that its shares will not be offered, sold or delivered to US investors. US investors for this purpose are defined as (i) citizens or residents of the United States, or other persons or entities whose income is subject to US federal income tax regardless of source or (ii) that are considered to be US persons pursuant to regulation S of the US Securities Act of 1933 and/or (iii) the US Commodity Exchange Act, as amended.

The Shares may neither be directly offered, sold or delivered in the United States or to or for the account or benefit of any "US person", nor indirectly except through a Participating or Reporting Foreign Financial Institution within the meaning of the Foreign Account Tax Compliance Act (the "**FATCA**").

Notwithstanding the foregoing, the Shares may however be offered, sold or otherwise transferred to or held by or through Exempt Beneficial Owners, Active Non-Financial Foreign Entities, US Persons (within the meaning of FATCA) that are not Specified US Person or Financial Institutions that are not Nonparticipating Financial Institutions, as each defined by the intergovernmental agreement concluded between Luxembourg and the United States of America on 28 March 2014 for the purposes of FATCA (the "**IGA**" and the "**FATCA Eligible Investors**").

Applicants may be required to declare that they are not U.S. Persons and are not applying for Shares on behalf of any U.S. Person. It is recommended that investors obtain information on the laws and regulations (in particular, those relating to fiscal policy and currency controls) applicable in their Country of origin, of residence or of domicile as regards an investment in the Fund and that they consult their own financial adviser, solicitor or accountant on any issue relating to the contents of this prospectus.

The Fund may either subscribe to classes of shares of target funds likely to participate in offerings of US new issue equity securities ("US IPOs") or directly participate in US IPOs. The Financial Industry Regulatory Authority (the "**FINRA**"), pursuant to FINRA rules 5130 and 5131 (the "**FINRA Rules**"), has established prohibitions concerning the eligibility of certain persons to participate in US IPOs where the beneficial owner(s) of such accounts are financial services industry professionals (including, among other things, an owner or employee of a FINRA member firm or money manager) (a "**Restricted Person**"), or an executive officer or director of a U.S. or non-U.S. company potentially doing business with a FINRA member firm (a "**Covered Person**"). Accordingly, investors considered as Restricted Persons or Covered Persons under the FINRA Rules are not eligible to invest in the Fund. In case of doubts regarding its status, the investor should seek the advice of its legal adviser.

The Fund is not registered in any provincial or territorial jurisdiction in Canada and Shares of the Fund have not been qualified for sale in any Canadian jurisdiction under applicable securities laws. The Shares made available under this offer may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof. Prospective Investors may be required to declare that they are not a Canadian resident and are not applying for Shares on behalf of any Canadian residents. If an Investor becomes a Canadian resident after purchasing Shares of the Fund, the Investor will not be able to purchase any additional Shares of the Fund.

Reference herein to "Shares" is to a class of Shares of no par value of the Fund offered pursuant to the terms of this Prospectus and, accordingly, "Shareholders" shall mean holders of the Shares; reference to "Euro" is to the common currency of the European Union; "business days", unless otherwise specified, are defined as any day on which banks are open for business in Luxembourg.

Distribution of this document is not authorised unless it is accompanied by a copy of the latest available annual reports and accounts of the Fund and a copy of the latest half yearly report if published after such annual report. Such reports shall form part of this document.

**The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund (notably the right to participate in general shareholders' meetings) if the investor is registered himself and in his own name in the shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.**

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## DESCRIPTION OF THE FUND

PHARUS SICAV (R.C.S. Luxembourg: B 90 212) is a limited liability company organised as a *société d'investissement à capital variable* ("SICAV") under the laws of the Grand Duchy of Luxembourg, originally qualified as a self-managed SICAV in accordance with article 27 of Luxembourg law of December 20, 2002 relating to undertakings for collective investment (the "**Law of 2002**"), and now managed by PHARUS MANAGEMENT LUX S.A., a management company governed by Chapter 15 of Luxembourg law of December 17, 2010 relating to undertakings for collective investment (the "**Law of 2010**").

As from July 1, 2011, the Fund is subject to the Part I of the Law of 2010.

The Articles of Incorporation of the Fund authorise the board of directors of the Fund (the "**Board**") to issue Shares, at any time, in different portfolios (each, a "**Sub-Fund**"). Proceeds from the issue of Shares within each Sub-Fund may be invested in transferable securities and other eligible assets corresponding to a particular geographical area, industrial sector or monetary zone, and/or particular types of equity, equity-related or transferable debt securities as the Board may from time to time determine. Derivative instruments may be used within the limits set forth in section R "Investment Restrictions".

The Board may further decide to issue within each Sub-Fund two or more classes of Shares, the assets of which may be commonly invested pursuant to the specific investment policy for the particular Sub-Fund concerned, although a separate sales and redemption mechanism, fee structure, category of targeted investors and other such characteristics may be designated to a particular class of Shares within each such Sub-Fund.

The Sub-Funds in issue at the date of the present Prospectus and their specific features are more fully described in the appendices to the present Prospectus. Should the Board decide to create additional Sub-Funds, or issue different classes of Shares, Appendix I of the present Prospectus will be updated accordingly.

The Fund will issue and redeem its Shares at prices based on their underlying net asset value and the Fund's capital shall be at any time equal to its net assets. The Board is authorised without limitation to issue further fully paid Shares of no par value in each Sub-Fund. The Fund reserves the right to reject any application in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant by post as soon as practicable.

## Remuneration policy of the Management Company

The Management Company has in place a remuneration policy which is consistent with, and promotes, sound and effective risk management and that neither encourages risk taking which is inconsistent with the risk profiles of the sub-funds, the Prospectus and the Articles of Incorporation, nor impairs compliance with the Management Company's duty to act in the best interest of the Fund and of its Shareholders.

The remuneration policy of the Management Company is in line with the business strategy, objectives, values and interests of the Management Company and of the other UCITS that it managed and of the interest of the Fund, and includes measures to avoid conflicts of interest.

The assessment of performance is set in a multiyear framework appropriate to the holding period recommended to the investors of the UCITS managed by the Management Company, in order to ensure that the assessment process is based on the longer term performance of the Fund and its investment risks and that the actual payment of performance based components of remuneration is spread over the same period.

Due to the Management Company's remuneration policy it is ensured that the fixed and variable components of total remuneration are appropriately balanced and the fixed remuneration component represents a

sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable components, including the possibility to pay no variable remuneration component.

The remuneration policy of the Management Company has been adopted by its board of directors and is reviewed at least annually.

Details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available on:

<http://www.pharusmanco.lu/en/documents/documents/>

A paper copy of such document is available free of charge from the Management Company upon request.

The Board of Directors of the Fund and/or of the Management Company and/ or of Pharus Asset Management S.A. will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund and its shareholders.

The directors of the Management Company and/or of Pharus Asset Management S.A. may also be directors of the Fund and the interest of the Fund and/or of the Management Company and/or of Pharus Asset Management S.A. could result in conflicts. In the event where such conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund /of its Sub-Funds and their respective shareholders.

Pharus Management Lux S.A. can act as Management Company, as Investment Managers, and as Principal Distributor of the Fund and/or its Sub-Funds as further determined under this prospectus.

Pharus Asset Management S.A. can also act as investment manager of several Sub Funds of the Fund and is part of the some Group of companies to which the Management Company belongs. As a result, such functions of the Management Company and of Pharus Asset Management S.A. may result in conflicts of interest between the various activities of these companies and their duties and obligations to the Fund and its Sub-Funds. The Management Company, under the applicable rules of conduct, must try to avoid conflicts of interest and, when they cannot be avoided, ensure that its clients (including the Fund) are fairly treated.

The appointed Investment Advisors and/or the Investment Managers may also act as intermediaries involved in the marketing and distribution / client introduction of the Fund or of the Sub-Funds. As a result, such functions of the Investment Advisors and or of the Investment Manager may result in conflicts of interest between the various activities of these companies and their duties and obligations to the Fund and its Sub-Funds.

The Management Company and/or Pharus Asset Management S.A. may from time to time act as Management Company, investment manager or adviser, principal placement and distribution agent, in relation to the Fund, or be otherwise involved with other funds or UCITS, UCIs and other investment vehicles or other clients. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Fund or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Fund or any Sub-Fund. In particular, when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly and in the best interests of the Fund and its shareholders.

Sub-Funds of the Fund may invest from time to time in UCITS, other UCIs and other investment vehicles managed by the Management Company or by Pharos Asset Management S.A. It is therefore possible that the Management Company or Pharos Asset Management S.A. may, in the due course of their business, have potential conflicts of interest with the Fund or any Sub-Fund. When undertaking any investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

The Management Company and/ or Pharos Asset Management S.A. may effect transactions in which they have, directly or indirectly, an interest which may involve a potential conflict with the Management Company's duty to the Fund. Neither the Management Company nor Pharos Asset Management S.A. shall be liable to account to the Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Management Company's fees, unless otherwise provided, be abated.

The Management Company and / or Pharos Asset Management S.A. will ensure that such transactions are effected on terms that are at least as favourable to the Fund and to its Sub-Funds than if the potential conflict had not existed.

There is no prohibition on the Fund or on its Sub-Funds entering into any transactions with the Management Company, or any Investment Manager, the principal distribution agent, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. In such case, in addition to the management fees, the Management Company or the Investment Managers shall receive a fee for managing the applicable Sub-Fund. They may also have an arrangement with the issuer, dealer and/or distributor of any products entitling them to a share of the revenue from such products that they purchase on behalf of the Fund and its applicable Sub-Funds. In addition, there is no prohibition on the Management Company or on Pharos Asset Management S.A. to purchase any products on behalf of the Fund and its Sub-Funds where the issuer, dealer and/or distributor of such products are their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, in the best interest of the Fund and its shareholders.

Potential conflict of interest or duties may arise because the Management Company or Pharos Asset Management S.A. may have invested directly or indirectly in the Fund or in its Sub-Funds. The Management Company and/or Pharos Asset Management S.A. could hold a relatively large proportion of Shares and voting rights in any Sub-Fund or Share Class. The Management Company and/or Pharos Asset Management S.A. may make substantial investments in a Sub-Fund or a Share Class for various purposes, including, but not limited to, contributing to the growth of the Sub-Fund or Share Class, for the purpose of facilitating the investment management or tax reporting of a Sub-Fund or Share Class, or for meeting future remuneration payment obligations to certain employees.

#### **Notice to Shareholders**

As from the 17.01.2015 notices to shareholders will only be published in newspapers and in the Luxembourg Mémorial, Recueil des Sociétés et Associations (the "**Mémorial**") , in the events when such publication is mandatory requirement under the provisions of the Luxembourg Law of 1915, or other applicable laws and regulations.

All other notices to shareholders,

- (i) (will be provided in the official languages of all the countries where concerned Sub-Funds of the Fund are authorized for public distribution, by means of registered mail or by other means, as individually agreed with each shareholder, in accordance with Art. 450-8 of the 1915 Law; and

- (ii) will be published, in the official languages of all the countries where the concerned Sub-Funds of the Fund are authorized for public distribution on the Management Company's web site: <http://www.pharusmanco.lu/>

On this web site you can also obtain the most up to date version of the Prospectus, as well as current version of the KIID of the Sub-Funds, registered for public distribution in different distribution countries, free of charge.

Investors in the Fund are therefore explicitly invited by the Board of the Fund to regularly check the Management Company's web site in order to be kept informed on any changes of the Fund and of its Sub-Funds, which are not legally required to be published in newspapers and Luxembourg Mémorial.

#### **Listing on regulated markets / trading multilateral trading facilities**

Each Sub-Fund could be listed and negotiated on a Regulated Market, traded on a multilateral trading facility (the "**Multilateral Trading Facility**" or "**MTF**"), and settled according to the local Law and to the Market Regulation.

Consequently, some rules set forth in this prospectus may be not applicable for listed or traded share classes in favour of the application of laws and regulations of the relevant Regulated Market or MTF.

The settlement for listed share classes and for shares traded on a Multilateral Trading Facility should take place not later than three (3) business days following the relevant Valuation Date according to the calendar of the relevant Regulated Market or MTF.

#### **Data Protection**

In compliance with the Luxembourg applicable data protection laws and regulations, including but not limited to the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**GDPR**"), as such applicable laws and regulations may be amended from time to time (collectively hereinafter referred to as the "**Data Protection Laws**"), the Company, acting as data controller (the "**Data Controller**") processes personal data in the context of the investments in the Company. The term "processing" in this section has the meaning ascribed to it in the Data Protection Laws.

##### **➤ CATEGORIES OF PERSONAL DATA PROCESSED**

Any personal data as defined by the Data Protection Laws (including but not limited to the name, e-mail address, postal address, date of birth, marital status, country of residence, identity card or passport, tax identification number and tax status, contact and banking details including account number and account balance, resume, invested amount and the origin of the funds) relating to (prospective) investors who are individuals and any other natural persons involved in or concerned by the Company's professional relationship with investors, as the case may be, including but not limited to any representatives, contact persons, agents, service providers, persons holding a power of attorney, beneficial owners and/or any other related persons (each a "**Data Subject**") provided in connection with (an) investment(s) in the Company (the "**Personal Data**") may be processed by the Data Controller.

##### **➤ PURPOSES OF THE PROCESSING**

The processing of Personal Data may be made for the following purposes (the "**Purposes**"):

**a) For the performance of the contract to which the investor is a party or in order to take steps at the investor's request before entering into a contract**

This includes, without limitation, the provision of investor related services, administration of the shareholdings in the Company, handling of subscription, redemption and conversion orders, maintaining the register of shareholders, management of distributions, sending of notices, information and



communications and more generally performance of service requests from and operations in accordance with the instructions of the investor.

The provision of Personal Data for this purpose:

- has a contractual nature or is a requirement necessary for the Company to enter into a contractual relationship with the investor; and
- is mandatory;

**b) For compliance with legal and/or regulatory obligations**

This includes (without limitation) compliance:

- with legal and/or regulatory obligations such as obligations on anti-money laundering and fight against terrorism financing, obligations on protection against late trading and market timing practices, accounting obligations;
- with identification and reporting obligations under foreign account tax compliance act (the “**FATCA**”) and other comparable requirements under domestic or international exchange tax information mechanism such as the Organisation for Economic Co-operation and Development (the “**OECD**”) and EU standards for transparency and automatic exchange of financial account information in tax matters (the “**AEOI**”) and the common reporting standard (the “**CRS**”) (hereinafter collectively referred to as the “**Comparable Tax Regulations**”). In the context of FATCA and/or Comparable Tax Regulations, the Personal Data may be processed and transferred to the Luxembourg tax authorities who, in turn and under their control, may transfer such Personal Data to the competent foreign tax authorities, including, but not limited to, the competent authorities of the United States of America;
- with requests from, and requirements of, local or foreign authorities.

The provision of Personal Data for this purpose has a statutory/regulatory nature and is mandatory. In addition to the consequences mentioned at the end of this point 2, not providing Personal Data in this context may also result in incorrect reportings and/or tax consequences for the investor;

**c) For the purposes of the legitimate interests pursued by the Company**

This includes the processing of Personal Data for risk management and for fraud prevention purposes, improvement of the Company’s services, disclosure of Personal Data to Processors (as defined below) for the purpose of effecting the processing on the Company’s behalf. The Company may also use Personal Data to the extent required for preventing or facilitating the settlement of any claims, disputes or litigations, for the exercise of its rights in case of claims, disputes or litigations or for the protection of rights of another natural or legal person.

The provision of Personal Data for this purpose:

- has a contractual nature or is a requirement necessary for the Company to enter into a contractual relationship with the investor; and
- is mandatory;

**and/or**

**d) For any other specific purpose to which the Data Subject has consented**

This covers the use and further processing of Personal Data where the Data Subject has given his/her explicit consent thereto, which consent may be withdrawn at any time, without affecting the lawfulness of processing based on consent before its withdrawal.

**Not providing Personal Data for the Purposes under items a) to c) hereabove or the withdrawal of consent under item d) hereabove may result in the impossibility for the Company to accept the investment in the Company and/or to perform investor-related services, or ultimately in termination of the contractual relationship with the investor.**

## ➤ **DISCLOSURE OF PERSONAL DATA TO THIRD PARTIES**

The Personal Data may be transferred by the Company, in compliance with and within the limits of the Data Protection Laws, to its delegates, service providers or agents, such as (but not limited to) the Management Company, the Domiciliary Agent, the Auditor, other entities directly or indirectly affiliated with the Company and any other third parties who process the Personal Data for providing their services to the Company, acting as data processors (collectively hereinafter referred to as the “**Processors**”).

Such Processors may in turn transfer Personal Data to their respective agents, delegates, service providers, affiliates, such as (but not limited to) the Administrative Agent, the Registrar and Transfer Agent, the Global Distributor, acting as sub-processors (collectively hereinafter referred to as the “**Sub-Processors**”).

Personal Data may also be shared with service providers processing them on their own behalf as data controllers and third parties as may be required by applicable laws and regulations (including but not limited to administrations, local or foreign authorities (such as competent regulator, tax authorities, judicial authorities, etc)).

Personal Data may be transferred to any of these recipients in any jurisdiction including outside of the European Economic Area (the “**EEA**”). The transfer of Personal Data outside of the EEA may be made to countries ensuring (based on the European Commission’s decision) an adequate level of protection or to other countries not ensuring such adequate level of protection. In the latter case, the transfer of Personal Data will be protected by appropriate or suitable safeguards in accordance with Data Protection Laws, such as standard contractual clauses approved by the European Commission. The Data Subject may obtain a copy of such safeguards by contacting the Company.

## ➤ **RIGHTS OF THE DATA SUBJECTS IN RELATION TO THE PERSONAL DATA**

Under certain conditions set out by the Data Protection Laws and/or by applicable guidelines, regulations, recommendations, circulars or requirements issued by any local or European competent authority, such as the Luxembourg data protection authority (the *Commission Nationale pour la Protection des Données* – “**CNPD**”) or the European Data Protection Board, each Data Subject has the rights:

- to access his/her Personal Data and to know, as the case may be, the source from which his/her Personal Data originate and whether they came from publicly accessible sources;
- to ask for a rectification of his/her Personal Data in cases where they are inaccurate and/or incomplete,
- to ask for a restriction of processing of his/her Personal Data,
- to object to the processing of his/her Personal Data,
- to ask for erasure of his/her Personal Data, and
- to data portability with respect to his/her Personal Data.

Further details regarding the above rights are provided for in Chapter III of GDPR and in particular articles 15 to 21 of GDPR.

No automated decision-making is conducted.

To exercise the above rights and/or withdraw his/her consent regarding any specific processing to which he/she has consented, the Data Subject may contact the Company’s data protection officer at the following address: [info@pharusmanco.lu](mailto:info@pharusmanco.lu)

In addition to the rights listed above, should a Data Subject consider that the Company does not comply with the Data Protection Laws, or has concerns with regard to the protection of his/her Personal Data, the Data Subject is entitled to lodge a complaint with the CNPD.

## ➤ **INFORMATION ON DATA SUBJECTS RELATED TO THE INVESTOR**

To the extent the investor provides Personal Data regarding Data Subjects related to him/her/it (e.g. representatives, beneficial owners, contact persons, agents, service providers, persons holding a power of attorney, etc.), the investor acknowledges and agrees that: (i) such Personal Data has been obtained, processed and disclosed in compliance with any applicable laws and regulations and its/his/her contractual obligations; (ii) the investor shall not do or omit to do anything in effecting this disclosure or otherwise that would cause the Company, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); (iii) the processing and transferring of the Personal Data as described herein shall not

cause the Company, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); and (iv) without limiting the foregoing, the investor shall provide, before the Personal Data is processed by the Company, the Processors and/or Sub-Processors, all necessary information and notices to such Data Subjects concerned, in each case as required by applicable laws and regulations (including Data Protection Laws) and/or its/his/her contractual obligations, including information on the processing of their Personal Data as described in this data protection section. The investor will indemnify and hold the Company, the Processors and/or Sub-Processors harmless for and against all financial consequences that may arise as a consequence of a failure to comply with the above requirements.

➤ **DATA RETENTION PERIOD**

Personal Data will be kept in a form which permits identification of Data Subjects for at least a period of ten (10) years after the end of the financial year to which they relate or any longer period as may be imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes).

➤ **RECORDING OF TELEPHONE CONVERSATIONS**

Investors, including the Data Subjects related to him/her/it (who will be individually informed by the investors in turn) are also informed that for the purpose of serving as evidence of commercial transactions and/or any other commercial communications and then preventing or facilitating the settlement of any disputes or litigations, their telephone conversations with and/or instructions given to the Company, the Management Company, the Depositary Bank, the Domiciliary Agent, the Administrative Agent, the Registrar and Transfer Agent, and/or any other agent of the Company may be recorded in accordance with applicable laws and regulations. These recordings are kept during a period of seven (7) years or any longer period as may be imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes). These recordings shall not be disclosed to any third parties, unless the Company, the Management Company, the Depositary Bank, the Domiciliary Agent, the Administrative Agent, the Registrar and Transfer Agent and/or any other agent of the Company is/are compelled or has/have the right to do so under applicable laws and/or regulations in order to achieve the purpose as described in this paragraph.

## **Trading Policy**

**Market timing/short term trading generally.** The Fund discourages short-term or excessive trading, often referred to as “market timing”, and intends to seek to restrict or reject such trading or take other action, as described below, if in the judgment of the Fund’s Board or the Management Company such trading may interfere with the efficient management of the portfolio of any Sub-Fund, may materially increase the respective Sub-Fund’s transaction costs, administrative costs or taxes, or may otherwise be detrimental to the interests of the Fund and its Shareholders.

**Market timing consequences.** If information regarding an Investor’s activity in the Fund is brought to the attention of the Board of the Fund or the Management Company and based on that information the Fund, the Management Company or their agents in their sole discretion conclude that such trading may be detrimental to the Fund as described in this Market Timing Trading policy, the Fund may temporarily or permanently bar an Investor’s future purchases into the Fund or, alternatively, may limit the amount, number or frequency of any future purchases and/or the method by which a Shareholder may request future purchases and sales (including purchases and/or sales by a switch or transfer between the Sub-Funds of the Fund).

In considering an Investor’s trading activity, the Fund may consider, among other factors, the Investor’s trading history both directly and, if known, through financial intermediaries, in the Fund.

**Market timing through financial intermediaries.**

Investors are subject to this policy whether they are a direct Shareholder of the Fund or are investing indirectly in the Fund through a financial intermediary such as a bank, an insurance company, an investment advisor, or any other Distributor that acts as Nominee for Investors subscribing the Shares in their own name but on behalf of its customers (the Shares being held in an “omnibus holding”).

While the Management Company will encourage financial intermediaries to apply the Fund’s Market Timing Trading policy to their customers who invest indirectly in the Fund, the Management Company is limited in its

ability to monitor the trading activity or enforce the Fund's Market Timing Trading policy with respect to customers of financial intermediaries.

For example, should it occur, the Management Company may not be able to detect market timing that may be facilitated by financial intermediaries or made difficult to identify in the omnibus/Nominee accounts used by those intermediaries for aggregated purchases, switches and sales on behalf of all their customers.

More specifically, unless the financial intermediaries have the ability to apply the Fund's Market Timing Trading policy to their customers through such methods as implementing short-term trading limitations or restrictions, monitoring trading activity for what might be market timing, the Management Company may not be able to determine whether trading by customers of financial intermediaries is contrary to the Fund's Market Timing Trading policy.

#### **Risks from market timers.**

Depending on various factors, including the size of the Fund, the amount of assets the Investment Manager typically maintains in cash or cash equivalents and the euro, Japanese yen or US dollar amount and number and frequency of trades, short-term or excessive trading may interfere with the efficient management of the Fund's portfolio, increase the Fund's transaction costs, administrative costs and taxes and/or impact Fund performance.

In addition, if the nature of the Fund's portfolio holdings expose the Fund to Investors who engage in the type of market timing trading that seeks to take advantage of possible delays between the change in the value of a Fund's portfolio holdings and the reflection of the change in the Net Asset Value of the Fund's Shares, sometimes referred to as "arbitrage market timing", there is the possibility that such trading, under certain circumstances, may dilute the value of Fund Shares if selling Investors receive proceeds (and buying Investors receive Shares) based upon Net Asset Value which do not reflect appropriate fair value prices. Arbitrage market timers may seek to exploit possible delays between the change in the value of a Fund's portfolio holdings and the Net Asset Value of the Fund's Shares in Funds that hold significant investments in foreign securities because certain foreign markets close several hours ahead of the US markets, and in Funds that hold significant investments in small-cap securities, high-yield ("junk") bonds and other types of investments which may not be frequently traded.

The Fund and the Management Company are currently using several methods to reduce the risk of market timing. These methods include:

- reviewing Investor activity for excessive trading and
- committing staff to selectively review on a continuing basis recent trading activity in order to identify trading activity that may be contrary to this Market Timing Trading policy.

Though these methods involve judgments that are inherently subjective and involve some selectivity in their application, the Fund seeks to make judgments and applications that are consistent with the interests of the Fund's Investors. There is no assurance that the Fund or its agents will gain access to any or all information necessary to detect market timing in omnibus holdings. While the Fund will seek to take actions (directly and with the assistance of financial intermediaries) that will detect market timing, the Fund cannot represent that such trading activity can be completely eliminated.

#### **Revocation of market timing trades.**

Transactions placed in violation of the Fund's Market Timing Trading policy are not necessarily deemed accepted by the Fund and may be cancelled or revoked by the Fund or the Management Company on the Valuation Days following receipt by the Management Company.

## BOARD OF DIRECTORS

### *Chairman:*

Davide Pasquali

### **Director**

Pharus Asset Management S.A.,  
Suisse  
Via Pollini, 7  
CH-6850 – Mendrisio (Switzerland)

### *Directors:*

Luigi Vitelli

### **Director**

Pharus Management Lux S.A.,  
16, avenue de la Gare  
L-1610 Luxembourg

Marco Petronio

### **Director**

Pharus Management Lux S.A.,  
16, avenue de la Gare  
L-1610 Luxembourg

## MANAGEMENT COMPANY

### **Pharus Management Lux S.A.**

16, avenue de la Gare  
L-1610 Luxembourg

### *Chairman:*

Davide Berra

### **Chairman**

Pharus Asset Management S.A., Suisse  
Via Pollini, 7  
CH-6850 – Mendrisio  
Switzerland

### *Directors:*

Davide Pasquali

### **Director**

Pharus Asset Management S.A., Suisse  
Via Pollini, 7  
CH-6850 – Mendrisio  
Switzerland

Luigi Vitelli

### **Chief Executive Officer**

Pharus Management Lux S.A.,  
16, avenue de la Gare  
L-1610 Luxembourg

Sebastiano Musumeci

### **Chief Administrative Officer**

Pharus Asset Management S.A.,  
Via Pollini, 7  
CH-6850 – Mendrisio  
Switzerland

***Conducting Persons of the Management Company:***

Luigi Vitelli	Chief Executive Officer, Pharos Management Lux S.A., Luxembourg
Marco Petronio	Conducting Person, Pharos Management Lux S.A. Luxembourg

**MANAGEMENT AND ADMINISTRATION**

**REGISTERED OFFICE OF THE FUND**

20, boulevard Emmanuel Servais  
L-2535 Luxembourg

**DEPOSITARY BANK AND DOMICILIARY AGENT IN LUXEMBOURG**

**Edmond de Rothschild (Europe)**  
20, boulevard Emmanuel Servais  
L-2535 Luxembourg

**CENTRAL ADMINISTRATION AGENT (REGISTRAR, TRANSFER, PAYING AND ADMINISTRATIVE AGENT) IN LUXEMBOURG**

**Edmond de Rothschild Asset Management (Luxembourg)**  
20, boulevard Emmanuel Servais  
L-2535 Luxembourg

**INVESTMENT MANAGERS**

**PHARUS ASSET MANAGEMENT S.A.**  
Via Pollini, 7  
CH – 6850 Mendrisio  
Switzerland

PHARUS SICAV – Conservative  
PHARUS SICAV – Medical Innovation  
PHARUS SICAV – Best Regulated Companies  
PHARUS SICAV – Bond Opportunities  
PHARUS SICAV – Deepview Trading  
PHARUS SICAV – EOS  
PHARUS SICAV – Global Dynamic Opportunities (dormant)  
PHARUS SICAV – International Equity Quant  
PHARUS SICAV – Liquidity  
PHARUS SICAV – Next Revolution  
PHARUS SICAV – Target  
PHARUS SICAV – Target 2 (dormant)  
PHARUS SICAV – Tikehon Global Growth & Income Fund  
PHARUS SICAV – Trend Player  
PHARUS SICAV – Flexible Allocation  
PHARUS SICAV – Basic Fund

**SWAN ASSET MANAGEMENT S.A.**  
Via L. Zuccoli, 19  
CH-6900 Lugano-Paradiso  
Switzerland

PHARUS SICAV – Swan Dynamic (dormant)

**ALPHA INVESTOR SERVICES  
MANAGEMENT SA**  
21 Rue Aldringen  
L-1118 Luxembourg

**PHARUS SICAV – Avantgarde**

**PAIRSTECH CAPITAL MANAGEMENT LLP.**  
1/1 a Telegraph Street,  
EC2R 7AR London,  
United Kingdom

**PHARUS SICAV – Dynamic Allocation MV 7**

**VALORI ASSET MANAGEMENT**  
Boulevard Joseph II 43  
L-1840 Luxembourg

**PHARUS SICAV – Global Flexible Bond**

**BANCA IFIGEST S.p.A**  
Piazza Santa Maria Soprarno, 1  
IT-50125 Firenze Milan,  
Italy

**PHARUS SICAV – Southern Europe**

**MARENGO FINANCIAL SERVICES LTD**  
1st floor, 43 Maiden Lane,  
WC2E 7LJ London,  
United Kingdom

**PHARUS SICAV – Marzotto Active Bond**  
**PHARUS SICAV – Marzotto Active Diversified**

**CARTHESIO S.A.**  
Via Ferruccio Pelli 13 a  
CP 5366  
6901 Lugano,  
Switzerland

**PHARUS SICAV – Europe Total Return**

**NICHE ASSET MANAGEMENT LTD**  
17, Lennox Gqrden,  
SW1X 0DB London,United Kingdom

**PHARUS SICAV – Asian Niches**  
**PHARUS SICAV – Electric Mobility Niches**

**SAFE CAPITAL INVESTMENTS LTD**  
St. Paul Street 259,  
Valletta VLT-1213,  
Malta

**FASANARA CAPITAL Ltd**  
40 New Bond Street,  
W1S 2RX London,  
United Kingdom

**PHARUS SICAV – Fasanara Quant**

**BANCA DEL CERESIO S.A.**  
Via della Posta 7,  
CH - 6901 Lugano  
Switzerland

**PHARUS SICAV – Galileo Dynamic**

**SWAN ASSET MANAGEMENT S.A.**

Via L. Zuccoli, 19  
CH-6900 Lugano-Paradiso  
Switzerland

<b>PHARUS SICAV – Bond Opportunities</b>
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**AUDITOR**

**Ernst & Young S.A.**

35 E Avenue John F. Kennedy  
L-1855 Luxembourg

**LEGAL ADVISORS IN ITALY**

**Gentili & Partners**

Via Camperio, 9  
20123 Milan  
Italy



## Sub-Funds

1. PHARUS SICAV – Conservative
2. PHARUS SICAV – Algo Flex
3. PHARUS SICAV – Asian Niches
4. PHARUS SICAV – Athesis Total return
5. PHARUS SICAV – Avantgarde
6. PHARUS SICAV – Best Regulated Companies
7. PHARUS SICAV – Medical Innovation
8. PHARUS SICAV – Bond Opportunities
9. PHARUS SICAV – Deepview Trading
10. PHARUS SICAV – Dynamic Allocation MV7
11. PHARUS SICAV – Electric Mobility Niches
12. PHARUS SICAV – EOS
13. PHARUS SICAV – Europe Total Return
14. PHARUS SICAV – Fasanara Quant
15. PHARUS SICAV – Global Flexible Bond
16. PHARUS SICAV – Global Value Equity
17. PHARUS SICAV – I-Bond Plus Solution
18. PHARUS SICAV – International Equity Quant
19. PHARUS SICAV – Liquidity
20. PHARUS SICAV – Marzotto Active Bond
21. PHARUS SICAV – Marzotto Active Diversified
22. PHARUS SICAV – Next Revolution
23. PHARUS SICAV – Southern Europe
24. PHARUS SICAV – Target
25. PHARUS SICAV – Tikehon Global Growth & Income Fund
26. PHARUS SICAV – Titan Aggressive
27. PHARUS SICAV – Trend Player
28. PHARUS SICAV – Flexible Allocation
29. PHARUS SICAV – Basic Fund
30. PHARUS SICAV – Galileo Dynamic

## Dormant Sub Funds:

31. PHARUS SICAV – Swan Dynamic
32. PHARUS SICAV – Target 2
33. PHARUS SICAV – Bond Value
34. PHARUS SICAV – Global Dynamic Opportunities

## A. PURPOSE AND INVESTMENT POLICY

The Fund offers, within the same investment vehicle, a choice of investments in one or more Portfolios, which are distinguished mainly by their specific investment policy and objective, and, as the case may be, by the currency in which they are denominated or other specific features applicable to each of them.

For efficient portfolio management and hedging purposes referred to under the Sub-Fund Particulars as hedging and/or investment purposes, the Fund may use derivative instruments within the limits set forth in section R "Investment Restrictions".

The Sub-Funds in issue at the date of the present Prospectus as well as their specific features are more fully described in the relevant appendices.

The Board may, at any time, decide to create additional Sub-Funds, and in that case, the relevant appendices of the present Prospectus will be updated accordingly.

## B. SUMMARY OF INVESTMENT RESTRICTIONS

The assets of the Fund will be invested so as to enable the Fund to continue to qualify as a Part I fund for the purposes of the Law of 2010. Accordingly, the Fund will comply with the European Community Council Directive of July 13, 2009 (Undertakings for Collective Investment in Transferable Securities (the "**UCITS**") (2009/65/CE) as may be amended from time to time). The investment restrictions of the Fund are set out in section R "Investment Restrictions".

## C. MANAGEMENT

The Board is responsible for managing the business of the Sub-Funds in issue, for the control of the Fund's operations as well as determining and implementing the Fund's investment policy. The Board of the Fund may delegate under its control and responsibility the day to day management of the Fund as set out in the relevant Appendix to the present Prospectus. To determine and implement the investment policy of the Sub-Funds in issue the Board may be assisted by an investment advisor.

The Board has designated PHARUS MANAGEMENT LUX S.A. (the "**Management Company**"), having its registered office at 16, avenue de la Gare L-1610 Luxembourg as its management company registered under Chapter 15 of the Law of 2010, in accordance with a "Collective Portfolio Management Agreement" effective from October 1, 2012.

The Management Company is a company incorporated in Luxembourg as a "société anonyme" on July 3, 2012 for an indefinite duration and registered in the Luxembourg Commercial Register under Number B169798. Its registered capital is set at three-hundred fifty thousand euro (EUR 350,000) divided into three hundred and fifty (350) registered shares, with a nominal value of one thousand euro (EUR 1,000), each fully paid up.

The Management Company shall be in charge of the tasks set in Annex II to the Law of 2010:

- I- investment management;
- II- administration, which encompasses:
- III- legal services and accounts management for the Fund,
- IV- follow-up of requests for information from clients,

- V- valuation of portfolios and calculation of the value of Fund Shares (including all tax issues),
- VI- verifying compliance with regulations,
- VII- keeping the Fund's Shares,
- VIII- allocating Fund income,
- IX- issue and redemption of Fund's Shares (Transfer Agent's duties),
- X- winding-up of contracts (including sending certificates),
- XI- recording and keeping records of transactions.
- XII- Marketing the Fund's Shares.

The Management Company is entitled to delegate under its control and responsibility the above mentioned tasks.

#### **D. INVESTMENT MANAGERS, SUB-INVESTMENT MANAGERS AND INVESTMENT ADVISORS**

The Management Company, with the consent of the Board, shall, under its control and responsibility, delegate the execution of the day to day management of the assets to one or more investment managers for each Sub-Fund, as specified in the relevant appendix of this Prospectus (individually the "Investment Manager" and collectively the "Investment Managers") who may, subject to the approval of the Board, sub-delegate its powers, in which case the Prospectus shall be updated accordingly.

The rights and duties of the Investment Manager are governed by an agreement (the "**Investment Management Agreement**" or "**IMA**") entered into for an unlimited period of time and which may be terminated by the Management Company, by the Board of Fund or by the Investment Manager in accordance with the provisions set out on section Q "General Information" item 10) (b) and in the IMA.

The Investment Managers may be assisted, under its overall control and responsibility and with the prior approval of the Management Company and with the consent of the Board, by one or more Sub-Investment Manager(s) for each sub-fund. It is being understood that the Prospectus will be amended accordingly.

To determine and implement the investment policy of each of the Sub-Funds in issue, the Investment Manager, with the approval of the Management Company, and with the consent of the Board, may appoint one or more sub-investment manager(s) (the "**Sub-Investment Manager**" or the "**Sub-Investment Managers**" as the case may be) and/or investment advisor(s) (the "**Investment Advisor**" or the "**Investment Advisors**" as the case may be).

The Sub-Investment Managers will assist the Investment Manager in connection with the investments and reinvestments of the relevant Sub-Funds. In that respect, the Investment Manager may delegate any or all of its portfolio management responsibilities to a sub-investment manager under the Sub-Investment Management Agreement.

The Investment Advisor will assist the Investment Manager in connection with the investments and reinvestments of the relevant Sub-Funds. In that respect, the Investment Advisor will act in a purely advisory capacity.

The Investment Advisor may be paid an advisory fee out of the assets of the relevant Sub-Fund and may be paid a fee out of the Performance Fee as further described under "Charges and Fees" below.

## E. STRUCTURE

### CORPORATE STRUCTURE

The Fund is a public limited company incorporated in Luxembourg under the provisions of the Law of August 10, 1915 (as amended) relating to commercial companies (the "**Law of 1915**"), and as a SICAV Part I under the Law of 2002. As from July 1, 2011, the Fund is subject to the Part I of the Law of 2010.

The Fund is organised as an umbrella fund with different Sub-Funds each of which represents a separate pool of assets and liabilities. The assets of each Sub-Fund will be invested in accordance with the investment policy of the relevant Sub-Fund, in transferable securities and other eligible investments. The Fund was incorporated by notarial deed on December 5, 2002 for an unlimited period and its subscribed capital, at the time of incorporation, amounted to Euro 31,000. The Articles of Incorporation of the Fund have been published in the Mémorial in Luxembourg on January 7, 2003. The Articles of Incorporation of the Fund have been amended by a decision of the extraordinary general meeting of shareholders on February 13, 2004. These amendments have been published in the Mémorial on March 4, 2004. The Articles have been subsequently been amended on January 11, 2016. These amendments have been published in the Mémorial on March 14, 2016. The Articles have been further amended on May 12, 2021. The Articles of Incorporation of the Fund have been filed with the Register of Commerce and Companies in Luxembourg as required by Luxembourg law, where they are available for inspection.

### SHARE CAPITAL

Shares in the Fund, subject as mentioned below, are freely transferable and, upon issue, are entitled to participate equally in the profits and dividends of the Sub-Fund to which they relate. Subject thereto, the Shares in the Fund, which are all of no par value, carry no preferential or pre-emptive rights and each Share is entitled to one vote at all meetings of Shareholders. All Shares in the Fund must be fully paid. The provisions governing the allocation of assets and liabilities of the Fund between the Sub-Funds are described in section M "Net Asset Value" below.

The Board may further decide to issue within each Sub-Fund two or more classes of Shares as more fully described in the relevant appendices.

The Fund will not issue Share certificates. All Shares issued, whether upon subscription or conversion, are issued exclusively in registered form without certificates.

Shares are evidenced by entries in the Fund's register and are represented by a book entry only. Investors will be sent a contract note detailing the Shares which have been allotted and a statement confirming that the Shares have been registered.

Investors residing in Italy may grant a mandate to the Italian Paying Agent to act as nominee (the "**Nominee**") in relation to the transactions concerning the participation in the Fund. On the basis of such a mandate the Nominee, among other things, will send to the Fund the investors' requests for subscription, redemption and conversion on a cumulative basis, will be recorded in the Fund's Register in its own name with the words "on behalf of third parties" and will fulfil the duties relating to the exercise of voting rights on instructions of the investors. The Nominee shall keep and update an electronic book with details of the investors and the relevant shareholdings; the status of shareholder shall be evidenced through the confirmation letter sent to the investor by the Nominee. A client who has invested in the Fund via the Nominee may at all times require that the shares thus subscribed shall be transferred to his/her name, as a result of which the client will be registered under

his/her own name in the Fund's Register with effect from the date on which the transfer instructions are received from the Nominee.

The Fund will issue fractional Shares up to 4 decimal places. Shareholders will be paid any difference between the net asset value of the Shares converted or issued upon reinvestment of dividends unless the costs of the transfer of funds exceeds the amount to be returned to the Shareholders. Any amount not paid as aforesaid will be retained for the benefit of the relevant Sub-Fund.

## **MEETINGS AND REPORTS**

The Fund's accounting period ends on 30<sup>th</sup> September 31<sup>st</sup> December each year.

The Annual General Meeting of Shareholders of the Fund is held at the registered office of the Fund in Luxembourg or at such other place as may be indicated in the notice of Meeting.

The Annual General Meeting will be held within the end of April of each year.

Notices of all general meetings will be sent to the holders of registered Shares in accordance with the provisions of the Law of 1915 at their addresses in the register of Shareholders.

For listed share classes or shares traded on a Multilateral Trading Facility the relative notice will be published and communicated in accordance with the law and regulation of the relevant Regulated Market or MTF.

Such notices will set forth the agenda and specify the time and place of the meeting and conditions of admission thereto and will refer to the requirements as to attendance, quorum and majorities at all general meetings, which shall be those laid down in Articles 67 and 67-1 of the Law of 1915 and in the Articles of Incorporation of the Fund.

Resolutions of meetings of Shareholders will apply to the Fund as a whole and to all Shareholders in the Fund, provided that any amendment affecting the rights of the Shareholders of any Sub-Fund vis-à-vis those of any other Sub-Fund shall be subject further to the quorum and majority requirements referred to above in respect of each such relevant Sub-Fund. Each Share is entitled to one vote subject to the limitations imposed by the Articles of Incorporation of the Fund.

Audited reports in respect of the preceding financial year of the Fund will be made available annually at the registered office of the Fund in Luxembourg and at the office of the distribution agent in those countries where the Fund is registered for public distribution. In addition, unaudited semi-annual reports will be made available at the registered office of the Fund in Luxembourg and the office of the distribution agent in those countries where the Fund is registered for public distribution. The audited reports and semi-annual reports will provide information on each Sub-Fund and, on a consolidated basis, the Fund as a whole.

The aforesaid reports will comprise consolidated accounts of the Fund expressed in Euro as well as individual information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

## **F. BORROWING**

The Fund may borrow on a temporary basis up to 10 per cent of its net asset value and these borrowings may be used for the purposes of meeting subscriptions, redemptions and short-term settlement obligations and for any other temporary purpose. Such borrowings, which may not be through the issue of bonds or debentures, will be

on terms and conditions to be determined by the Board in accordance with the investment restrictions set forth in section R "Investment Restrictions".

## **G. TAXATION**

### **EUROPEAN UNION TAX CONSIDERATIONS**

The European Savings Directive has been implemented in Luxembourg by the law dated 21 June 2005, as amended (the **"2005 Law"**). The European Savings Directive requires Member States of the European Union (the **"EU Member States"**) to provide the tax authorities of other EU Member States with details of payments of interest or similar payments paid by a paying agent (as defined by the European Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have elected to apply withholding tax in relation to such payments in lieu of exchange of information for a transitional period. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the same transitional period, withholding tax. The transitional period is to terminate at the end of the first full tax year following agreement by certain non-EU countries to the exchange of information relating to such payments. The Luxembourg government has however announced that it will elect out of the withholding system in favour of the automatic exchange of information with effect as from 1 January 2015. The rate of withholding tax in Luxembourg on payments in scope of the Directive is 35%.

It is presently expected that, in respect of those Sub-Funds whose investment policy provided for the investment of less than 15% of their net assets in debt claims, dividends distributed and capital gains realized by Shareholders on the disposal of Shares will not be subject to any reporting or withholding.

In respect of those Sub-Funds whose investment policy provides for the investment of less than 25% of their net assets in debt claims, it is presently expected that dividend distributions will be subject to reporting or withholding whereas capital gains realized on the disposal of Shares will not be subject to any reporting or withholding. In respect of Sub-Funds investing more than 25% of their net assets in debt claims, dividend distribution and capital gains realized on the disposal of Shares are likely to be subject to reporting or withholding in accordance with the terms of each law which will implement the Directive.

In the case where dividend distributions or capital gains are subject to reporting or withholding pursuant to the rules laid down above, the Registrar, Transfer, Domiciliary, Administrative and Paying Agent will not calculate the proportion of dividend distributions or capital gains which derive from interest payments and therefore the total amount of such dividend distributions or capital gains shall, pursuant to the Directive, be considered as a payment of interest for reporting or withholding purposes.

Withholding tax applied in Luxembourg under the European Savings Directive is not a final taxation and does not relieve the Investor from any responsibilities to declare income or capital gains to the relevant tax authority in his/her country of residence. Any withholding tax levied under the European Savings Directive may be creditable against the Investor's personal tax liability, subject to the laws in his/her country of residence.

### **LUXEMBOURG**

#### **1. The Fund**

The following information is based on the laws, regulations, decisions and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations

that may be relevant to a decision to invest in, own, hold, or dispose of Shares and is not intended as tax advice to any particular Investor or potential Investor.

**This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than the Grand Duchy of Luxembourg. Investors should inform themselves of and, when appropriate, consult their professional advisors on the possible tax consequences of purchasing, buying, holding or disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.**

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

However, each Sub-Fund is subject to a subscription tax (*taxe d'abonnement*) at an annual rate which will be indicated in the Appendix of the relevant Portfolio, such tax being payable quarterly and calculated on the total net assets of the Sub-Fund at the end of the relevant quarter. No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Fund except a tax, payable once only, of Euro 1,250 which was paid upon incorporation.

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

## **2. Shareholders**

Under current legislation Shareholders not resident in Luxembourg are not subject to any income, withholding, estate, inheritance or other taxes in Luxembourg.

Non-resident Shareholders are exempt from taxation on capital gains unless they hold at least 10 per cent of the outstanding Shares of the Fund and either (i) they are former residents of Luxembourg (i.e. they were residents of Luxembourg during the last 15 years and ceased to be resident less than 5 years before the taxable capital gain was realised) or (ii) their holding is sold within 6 months of acquisition.

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

## **FATCA**

The Foreign Account Tax Compliance Act (the "**FATCA**"), which is an amendment to the U.S. Internal Revenue Code, was enacted in the United States in 2010 and many of the operative provisions are effective as of 1 July 2014 already. Generally, FATCA requires financial institutions outside the US ("foreign financial institutions" or the "**FFIs**") to provide the U.S. Internal Revenue Service (the "**IRS**") with information about financial accounts held directly or indirectly by certain specified US persons. A 30% withholding tax is imposed on certain types of US source income paid to an FFI that fails to comply with FATCA. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement (the "**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA, once the IGA has been implemented into Luxembourg law in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the IGA, the Fund will be required to collect information aiming to identify its direct and indirect Shareholders that are US Persons for FATCA purposes (the "**Reportable accounts**"). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28

of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Tax Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA places upon it. As from the date of signature of the Luxembourg IGA and until the Grand Duchy of Luxembourg has implemented the national procedure necessary for the entry into force of the IGA, the United States Department of the Treasury will treat the Fund as complying with and not subject to the FATCA Withholding.

To ensure the Fund's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Fund may:

- a. a request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- b. report information concerning a Shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities concerning payments to account holders with the FATCA status of non-participating foreign financial institution; and
- d. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA and the Luxembourg IGA, if applicable, from 2017 or later.

#### **Automatic Exchange of Information Agreements between Governments**

Certain jurisdictions including the United Kingdom and Luxembourg are considering entering into or may have entered into, Automatic Exchange of Information Agreements (the "AEOI") under which relevant tax authorities that collect information on investors under applicable local law, may share information on investors resident in another jurisdiction with the tax authority in that jurisdiction where an AEOI is in place between such jurisdictions.

The scope and application of information reporting and exchange pursuant to such AEOIs may be subject to review by the relevant jurisdictions, and the rules in this respect may also change.

In October 2014 Luxembourg signed a multilateral agreement with 50 other countries on automatic exchange of financial account information. It is intended that from 2017, Luxembourg will commence information sharing on certain cross border investors from those countries, subject to certain processes, safeguards and legal requirements being met. Luxembourg funds and entities will be required to comply with relevant Luxembourg law implementing these agreements.

Investors should contact their own tax advisors regarding the application of information reporting and exchange between governments to their particular circumstances.

#### **Common Reporting Standards**



In addition the European Commission made proposals to revise the EU Directive on Administrative Cooperation (the “DAC”) to include the requirement of Member States to adopt and implement legislation to automatic exchange information between EU Member States by incorporating the Common Reporting Standards (the “CRS”) issued by the OECD. The revised DAC was officially adopted by the European Council at an ECOFIN meeting of 9 December 2014. EU Member States will have to begin the automatic exchange of information under the revised DAC no later than end of September 2017. In addition, Austria announced that it will join the other Member States and exchange information by September 2017. EU Member States need to adopt local legislation consistent with the revised DAC no later than 31 December 2015. It is expected due to the introduction of the revised DAC the EUSD will be withdrawn.

## **H. DIVIDEND POLICY**

Unless otherwise stated in the relevant Appendix, it is the policy of each Sub-Fund to reinvest all revenues and capital gains and not to pay any dividends.

The Board shall nevertheless have the option, on any given accounting year, to propose to the Shareholders of any Sub-Fund, at the annual general meeting, the payment of a dividend. As an additional possibility, the Board of Directors may decide on the payment of interim dividends in compliance with the conditions set forth by law.

Payment of dividends to Shareholders shall be made direct to the Shareholder’s bank account.

Payment of dividends will be made in the currency in which each Sub-Fund is denominated and which is set out in relation to each respective Sub-Fund in the relevant Appendix to the present Prospectus.

Dividend announcements, if any, will be sent to the Shareholders at their address in the register of Shareholders.

Dividends not collected within 5 years will lapse and accrue in accordance with Luxembourg law for the benefit of the relevant Sub-Fund .

## **I. CHARGES AND FEES**

*Fees payable to the Management Company or to the Investment Managers or to the Investment Advisors or to the financial intermediaries involved in the distribution and/or placement of the Fund’s Shares*

### **A. Charges and fees charged to the Fund**

#### **a) Service Fee**

Each Sub-fund is subject to a Service Fee up to 0.45 % p.a., with a minimum amount charged to the Sub-fund up to EUR 150.000.- p.a., due to pay the Depositary Bank, the Central Administration and the Management Company.

The Service Fee will be calculated on the average value of the net assets of each Sub-Fund, determined on each Valuation Date and paid quarterly in arrears or at any other frequency as set out in the relevant Appendix of the present Prospectus.

Part of the Service Fee due to the Depositary Bank and to the Central Administration may be paid directly to them by the Fund.

#### **b) Global Fee and Performance Fee**

For its activities of asset management, the Fund will pay to the Investment Manager (or to the Management Company

when the portfolio management function is not delegated to a third party) a Global Fee and (if applicable) a Performance Fee, payable net of the fees paid to the financial intermediaries involved in the distribution and placement of the Fund's shares and net of the fees paid to the Investment Advisor if any, calculated on the following basis:

- i. Global Fee: calculated on the average value of the net assets of each Sub-Fund, determined on each Valuation Date and paid quarterly in arrears or at any other frequency as set out in the relevant Appendix of the present Prospectus.

The maximum of the Global Fee applicable to each Sub-Fund is disclosed in the relevant Appendix of the present Prospectus.

- ii. Performance Fee: calculated on the performance of each Sub-Fund.

Details and payment frequency of the Performance Fee applicable to each Sub-Fund are set out in the relevant Appendix of the present Prospectus.

Where applicable, part of the Global Fee and Performance fee due to the Investment Advisor may be paid directly to him by the Fund.

#### **c) Shareholder Servicing Fee**

This Shareholder Servicing Fee is used to remunerate intermediaries involved in the promotion of the Fund's shares. These intermediaries provide investors with information about their investments and respond to their inquiries.

The maximum of the Shareholder Servicing Fee applicable to each Sub-Fund is disclosed in the relevant Appendix of the present Prospectus.

#### **d) Transaction costs**

The transaction costs mean: (i) brokerage fees, (ii) exchange fees and charges, (iii) handling and transactions fees (up to Eur 25 per transaction, in any case no more than 0.15% p.a. calculated on the average value of the net assets of each Sub-Fund), (iv) regulatory fees and taxes and (v) other costs, charged by Brokers, Custodian Banks, Central Administrator, Management Company, Investment Managers and Trade Repositories.

#### **e) Board Members remuneration**

The Fund will support the remuneration of the Board Members of the Fund including reasonable disbursements and out-of-pocket expenses linked to the execution of their mandate including their professional indemnity insurance.

#### **f) Setup fees**

The costs in relation to the launch of any additional Sub-Fund will be charged to such Sub-Fund and will be amortized over a period of five years from its launch date.

#### **Other charges**

The Fund will support the following other charges:

- All taxes which may be payable on the assets, income, and expenses.
- All costs linked to tax declaration and tax figure calculation services.
- All fees involved in the registration and maintaining the registration of the Fund with all governmental agencies and stock exchanges.
- All fees due to any paying agents and representative agents in foreign countries and any other agents.
- All fees due to the auditors of the Fund.
- Costs for extraordinary measures carried out in the interests of the shareholders, such as expert opinions, legal proceedings, independent valuation agent costs.
- All expenses connected with publications and the supply of information to shareholders, the costs of publishing the net asset value and the costs of printing and distributing all official documentation related to the Fund such as Prospectus, KIID, annual and semi-annual financial reports including translation costs.
- Marketing costs.
- All reasonable expenses of the Management Company, the Administrative Agent and the Depository linked to the execution of their functions.

## **B. Charges and fees charged to the Investors**

### **a) Front End**

Financial intermediaries acting in connection with the placing of the Fund's Shares may be entitled to a Front End Fee to be calculated on the net asset value of the Shares to be issued. The applicable fee rate (if any) is set out in the relevant Appendix to the present Prospectus.

### **b) Redemption Fee**

Financial intermediaries acting in connection with the placing of the Fund's Shares may be entitled to a redemption fee to be calculated on the net asset value of the Shares to be redeemed. The applicable fee rate (if any) is set out in the relevant Appendix to the present Prospectus.

The Redemption Fee will be paid to the Investment Manager and/or the sub-fund upon request and/or approval of the Board of Directors for the following sub-funds: Pharus SICAV – Liquidity, Pharus SICAV - Conservative, Pharus SICAV- International Equity Quant, Pharus SICAV- Bond Opportunities, Pharus SICAV-Next Revolution, Pharus SICAV-Target, Pharus SICAV- Best Regulated Companies , Pharus SICAV-Medical Innovation and Pharus SICAV – Europe Total Return. The applicable fee rate (if any) is set out in the relevant Appendix to the present Prospectus.

### **c) Conversion Fee**

Financial intermediaries acting in connection with the placing of the Fund's Shares may be entitled to a conversion fee to be calculated on the net asset value of the Shares to be converted. The applicable fee rate (if any) is set out in the relevant Appendix to the present Prospectus.

The amounts of fees stated in this document are exclusive of any value added tax which is payable in addition thereto.

## J. APPLICATIONS FOR SHARES

Shareholders wishing to subscribe Shares in a Sub-Fund of the Fund will be entitled to do so on any day which is a Valuation Date by means of an irrevocable written request or by facsimile or electronic request confirmed in writing. Subscription requests need to be received before 3.00 p.m. (Luxembourg time) on the relevant Valuation Date in order to be effected on such Valuation Date in Luxembourg (as defined in section M "Net Asset Value" below). Subscription request received after 3.00 p.m. (Luxembourg time) will be dealt with on the following Valuation Date.

The Fund will retain the right to reject any application in whole or in part. If an application is rejected or an allotment is cancelled, the Fund, at the risk of the applicant, will return application monies or the balance thereof, at the cost of the applicant, by telegraphic transfer. No Share may be issued during any period in which the calculation of net asset value of the Sub-Fund relating to that class has been suspended by the Fund.

A placing and/or introductory fee may be charged to retail investors and will be payable to any financial intermediary acting in connection with the placing of the Fund's Shares. The applicable fee rate (if any) is set out in the relevant Appendix to the present Prospectus.

The Shares of the Fund could be distributed, in accordance with the national laws and customs of the country in which the Shares are marketed, through saving plans. Investors residing in Italy shall be required to pay a fee to the Italian Paying Agent amounting to a maximum of EUR 25 in the context of a first subscription through a saving plan. This fee is reduced to EUR 3 on successive payments made in this context.

If not otherwise provided for in the relevant Appendix, confirmations of shareholding will be sent to successful applicants within five (5) Luxembourg business days of the date of allotments. No Share certificates will be issued. Fractions of Shares will be issued up to 4 decimal places.

Application monies shall directly be transferred to or be received by the Fund c/o Edmond de Rothschild (Europe), acting as depositary bank on behalf of the Fund. Application monies should be received by the Depositary Bank on behalf of the Fund not later than three (3) Luxembourg business days following the relevant Valuation Date.

If not otherwise provided for in the Appendix for the relevant Sub-Fund, payment of the subscription monies must be made in the reference currency of the Sub-Fund concerned. Details may be included in the relevant Appendix for a minimum subscription amount (inclusive of the placing and/or introductory fee). All remittances, documents of title or other documents despatched to or from the Fund (or its agent) will be despatched at the Shareholder's risk.

Applications for Shares must be forwarded to the Fund c/o Edmond de Rothschild Asset Management (Luxembourg) in writing. Application forms are available from Edmond de Rothschild Asset Management (Luxembourg) and at the office of the distribution agent in those countries where the Fund is registered for public sale and provide further details on how to subscribe and the settlement procedures.

The Fund may agree to issue Shares as a consideration for a contribution in kind of securities or other assets, provided that such securities or other assets comply with the investment objectives and policy of the relevant Sub-Fund and that the contribution is made in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Fund ("*réviseur d'entreprises agréé*") which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities or other assets shall be borne by the relevant shareholders/ investors.

If not otherwise provided for in the relevant Appendix, an application form must be received by the Fund, c/o Edmond de Rothschild Asset Management (Luxembourg), 20, boulevard Emmanuel Servais, L-2535 Luxembourg before 3.00 p.m. (Luxembourg time) on to the relevant Valuation Date (as defined in section M "Net Asset Value" below). If so received, Shares will be issued at a price based on the net asset value calculated on the relevant Valuation Date. Any application received after 3.00 p.m. (Luxembourg time) will be dealt with on the following Valuation Date.

If circumstances so require, the Board of Directors reserves the right at any time, without notice, to discontinue the issue or sale of Shares pursuant to this Prospectus.

The Fund may restrict or prevent the ownership of Shares by any US person and/or any person, firm or corporate body if in the opinion of the Fund such holding may be detrimental to the Fund or its Shareholders, may result in a breach of any applicable law or regulations (whether Luxembourg or foreign) or may expose the Fund or its Shareholders to liabilities (to include, inter alia, regulatory or tax liabilities and any other tax liabilities that might derive, inter alia, from any breach of FATCA requirements ) or any other disadvantages that it or they would not have otherwise incurred or been exposed to. Such persons, firms or corporate bodies (including US persons and/or persons in breach of FATCA requirements) are herein referred to as (the "**Prohibited Persons**").

For such purposes, the Fund may:

- 1) decline to issue any Share and decline to register any transfer of a Share, where it appears to it that such registration or transfer would or might result in beneficial ownership of such Share by a Prohibited Person;
- 2) at any time require any person whose name is entered in, or any person seeking to register the transfer of Shares on, the register of shareholders to furnish it with any representations and warranties or any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not, to what extent and under which circumstances, beneficial ownership of such Shareholder's Shares rests or will rest in a Prohibited Person, or whether such registration will result in beneficial ownership of such Shares by a Prohibited Person; and
- 3) where it appears to the Fund that any Prohibited Person, either alone or in conjunction with any other person, is a beneficial owner of Shares or is in breach of its representations and warranties or fails to make such representations and warranties in a timely manner as the Fund may require, may compulsorily redeem from any such Shareholder all or part of the Shares held by such Shareholder.

The rules set forth in this paragraph for the application of shares are not applicable for listed share classes or shares traded on a Multilateral Trading Facility. Additional information & documentation how and under which conditions listed share classes or shares traded on a Multilateral Trading Facility can be subscribed may be obtained on the relevant Regulated Market or MTF e.g. at the applicable stock exchange or multilateral trading facility, where such share classes of the Fund might be listed or traded.

In general it should be taken into account for these kind of investments as follows:

- Investors investing in listed share classes of the Fund or in share classes thereof traded on a Multilateral Trading Facility might only be able to place subscription orders in the relevant Regulated Market through intermediaries, such as banks.
- The Fund does not charge any Front End Fees for the subscription of listed share classes and share classes traded on a Multilateral Trading Facility. Notwithstanding this, Investors should explicitly consider for these Investments that Investors may have to take into account additional fees, charged by

intermediaries. Such additional fees, which might be charged to the end investors are not further disclosed in this prospectus, they might vary and cannot be pre-determined in all cases. Investors are therefore explicitly invited by the Board of the Fund to enquire further information on such additional fees with the applicable intermediaries before undertaking any investment in listed share classes of the Fund or share classes thereof traded on a Multilateral Trading Facility.

#### **K. REDEMPTION OF SHARES**

If not otherwise provided for in the Appendix for the relevant Sub-Fund, any request by a Shareholder for the redemption of his Shares must be made in writing to the Fund, c/o Edmond de Rothschild Asset Management (Luxembourg), 20, boulevard Emmanuel Servais, L-2535 Luxembourg, giving payment instructions and requesting irrevocable redemption. The Fund will redeem Shares so tendered for redemption on the basis of the net asset value of the relevant Sub-Fund on the appropriate Valuation Date as specified below, less any applicable redemption charge, as more fully described in the relevant Appendix.

Investors residing in Italy shall be required to pay an additional fee to the Italian Paying Agent up to maximum 0.15 per cent of the portion of the redeemed assets.

If not otherwise provided for in the relevant Appendix, Shares may be tendered for redemption on any Valuation Date. Redemption in respect of a written redemption request received prior to 3.00 p.m. (Luxembourg time) (on the relevant Valuation Date will be effected on such Valuation Date in Luxembourg (as defined in section M "Net Asset Value" below). Redemption request received after 3.00 p.m. (Luxembourg time) will be dealt with on the following Valuation Date.

The redemption price will be equal to the net asset value per Share of the relevant Sub-Fund (normally calculated by reference to the latest available prices of the assets of the relevant Sub-Fund) determined on the applicable Valuation Date less redemption charges, if any.

Payment in respect of redemptions will normally be made within three (3) Luxembourg business days of the Valuation Date on which the Shares were redeemed.

The Fund is not bound to redeem in any five (5) consecutive business days more than 10 per cent in aggregate of the Shares of any one Sub-Fund and for this purpose conversions from one Sub-Fund into another shall be treated as redemptions of the first Sub-Fund. If the number of requests received in any five (5) consecutive business days exceeds the limit, requests may be carried forward to the next business day (but subject always to the foregoing limit). Any request so carried forward will be complied with in priority to any requests received thereafter.

The Board may accept redemptions of Shares subject to the conditions of the Sub-Fund which (if applicable) are more fully described in the relevant Appendix.

A Shareholder may require the Fund to redeem or convert part of a shareholding provided that the balance of any holding of a particular Sub-Fund would not have a net asset value of less than the minimum amount (if any) provided for in the relevant Appendix. If as a result of sales of Shares, a Shareholder would be registered with Shares of a particular Sub-Fund having a net asset value of less than the minimum (if any) provided for in the relevant Appendix, the Fund may require that such Shares be redeemed.

Payment will be at the expense of the Shareholder, by transfer of funds to a bank account specified by the Shareholder.

In accordance with the relevant money laundering regulations, the Fund or its agents may be required to verify the identity of any person redeeming Shares before realising the proceeds. In certain circumstances this may result in a substantial delay before payment is made.

Unless provided to the contrary herein, requests for redemption should provide the following information:

- the full name(s) and address(es) of the Shareholder(s) making the request
- the number of Shares to be redeemed
- details as to whom payment should be made if different from the Shareholder(s) and the currency in which the Shareholder wishes to be repaid.

If on redemption a Shareholder wishes to be paid in a currency other than that in which the Share is denominated, the necessary foreign exchange transaction will be arranged by Edmond de Rothschild (Europe) on behalf of, and at the expense of, the Shareholder without responsibility as regards the Fund.

The redemption price paid upon redemption may be more or less than the price paid by the Shareholder for his Shares, depending upon the net asset value of the relevant Sub-Fund 's net assets at the relevant Valuation Date.

A Shareholder may not withdraw his request for redemption except in the event of suspension of the valuation of the assets of the Fund and/or relevant Sub-Fund and in such event a withdrawal will be effective if written notification is received by the Fund before the termination of the period of suspension. If the request is not so withdrawn, the redemption will be made, subject to the prior notice requirements set out above, on the next Valuation Date following the end of the suspension.

At the discretion of the Board, the Fund shall have the right, subject to the agreement of the relevant shareholder, to satisfy payment of the Redemption Price in the form of assets by allocating to the relevant shareholder securities from the portfolio established in connection with such Share class or classes. Such redemption in kind must be equal in value (calculated in the manner described herein) to the value of the Shares to be redeemed as of the relevant Valuation Day on which the Redemption Price is calculated. The nature and type of securities to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other shareholders of the relevant Share class or classes, and the valuation used shall be confirmed by a special report of the auditor of the Fund. The costs of such transfers shall be borne exclusively by the redeeming shareholder.

The Board may, in accordance with the Articles of Incorporation of the Fund, compulsorily redeem any Shares held by a U.S. Person as the Board believe necessary or appropriate to ensure compliance with United States law. Subject to the foregoing, the Fund may redeem its Shares without limitation.

The rules set forth in this paragraph for the redemption of shares are not applicable for listed share classes and for share classes traded on a Multilateral Trading Facility. Additional information & documentation how and under which conditions such share classes can be redeemed may be obtained on the relevant Regulated Market or Multilateral Trading Facility e.g. at the applicable stock exchange or multilateral trading facility, where share classes of the Fund might be listed or traded.

In general it should be taken into account for these kind of investments as follows:

- (i) Investors investing in listed share classes of the Fund or in shares traded on a Multilateral Trading Facility might only be able to place redemption orders in the relevant Regulated Market or MTF through intermediaries, such as banks.

- (ii) The Fund does not charge any redemption fees for the redemption of listed share classes and shares classes traded on a Multilateral Trading Facility. Notwithstanding this, Investors should explicitly consider for these Investments that Investors may have to take into account additional fees, charged by intermediaries. Such additional fees, which might be charged to the end investors are not further disclosed in this prospectus, they might vary and cannot be pre-determined in all cases. Investors are therefore explicitly invited by the Board of the Fund to enquire further information on such additional fees with the applicable intermediaries before undertaking any investment in listed share classes of the Fund and in share classes thereof traded on a Multilateral Trading Facility.

#### L. CONVERSION OF SHARES

If not otherwise provided for in the relevant Appendix, Shareholders will be able, subject to the payment of a Conversion Fee (as more fully described in the relevant Appendix to the present Prospectus), on any Valuation Date in Luxembourg (as defined hereafter) to convert all or part of their holding of Shares of any Sub-Fund (the "**Original Portfolio**") into Shares of another Sub-Fund which are being offered at that time (the "**New Sub-Fund**").

Shareholders wishing to convert Shares in another Sub-Fund will be entitled to do so on any day which is a Valuation Date by means of an irrevocable written request or by facsimile or electronic request confirmed in writing. Conversion in respect of a written conversion request received before 3.00 p.m. (Luxembourg time) on the relevant Valuation Date will be effected on such Valuation Date in Luxembourg (as defined in section M "Net Asset Value" below). Conversion request received after 3.00 p.m. (Luxembourg time) will be dealt with on the following Valuation Date

Such request should be addressed to the Fund, c/o Edmond de Rothschild Asset Management (Luxembourg), 20, boulevard Emmanuel Servais, L-2535 Luxembourg. The general provisions and procedures relating to redemptions described above will apply equally to conversions.

The number of Shares of the New Sub-Fund to be issued will be calculated in accordance with the following formula:

$$N = \frac{P(R \times CF)}{S}$$

where:

- N is the number of Shares of the New Sub-Fund to be allotted
- P is the number of Shares of the Original Sub-Fund to be converted
- R is the net asset value per Share of the Original Sub-Fund applicable to redemption requests received on the relevant business day
- CF is the currency conversion factor determined by the Board as representing the effective rate of exchange on the relevant business day between the currencies of the Original Sub-Fund and the New Sub-Fund (where they are denominated in different currencies)
- S is the net asset value per Share of the New Sub-Fund applicable to subscription applications received on the relevant business day.

Upon conversion, fractions of Shares will be issued up to 4 decimal places.

The rules set forth for the conversion of shares are not applicable for listed share classes nor for share classes traded on a Multilateral Trading Facility. Such share classes cannot be converted.



## M. NET ASSET VALUE

The net asset value of the Shares of each Portfolio shall be determined in Euros in accordance with the Articles of Incorporation of the Fund on each day which is a valuation day for that Sub-Fund and which is a business day in Luxembourg, as defined in the Appendix of the relevant Sub-Fund (the "**Valuation Date**"). If such Valuation Date is not a business day in Luxembourg or when the Italian Stock Exchange is closed, the net asset value shall be calculated on the following business day.

For the Sub-Funds which do not have a daily Valuation Date, the Fund may, at its discretion, calculate an additional net asset value on days which are not a Valuation Date. The said additional net asset value cannot be used for subscription, redemption or conversion purposes and will be calculated for information purposes only. Specific mention will be made in the Appendix of the relevant Sub-Fund for which the Fund will use this option.

For the Sub-Funds which do not have a daily Valuation Date, for the purpose of the annual and semi-annual reports, the net asset value to be calculated on the Valuation Date preceding the last day of the Fund's financial and/or half-year will not be calculated on such Valuation Date but will be calculated on the last day of the relevant period. By way of derogation to the below mentioned valuation principles, the net asset value calculated on the last day of either the financial year or the half-year period shall not be based on the last available prices, but on the last available closing prices.

Subscriptions, redemptions and conversions to be dealt with on the Valuation Date preceding the last day of the Fund's financial year and / or half-year will be based on the net asset value calculated on the last day of the relevant period.

The net asset value of Shares of each Sub-Fund shall be expressed in such currency as the Board shall from time to time determine in respect of each Sub-Fund as a per Share figure and shall be determined in respect of any Valuation Date by dividing the net assets of the Fund corresponding to each Sub-Fund (being the latest available value of the assets of the Fund corresponding to such Sub-Fund less the liabilities attributable to such Portfolio in the relevant markets) by the number of Shares of the relevant Sub-Fund then outstanding and shall be rounded up or down to the nearest 2 decimal place.

The valuation of the net assets of the different Sub-Funds shall be made in the following manner:

- (i) The assets of the Fund shall be deemed to include:
  - (a) all cash on hand or on deposit, including any interest accrued thereon;
  - (b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
  - (c) all bonds, time notes, shares, stock, debenture stocks, subscription rights, warrants, options and other investments and securities owned or contracted for by the Fund;
  - (d) all stock, stock dividends, cash dividends and cash distributions receivable by the Fund (provided that the Fund may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights or by similar practices);
  - (e) all interest accrued on any interest bearing securities owned by the Fund except to the extent that the same is included or reflected in the principal amount of such security;

- (f) the preliminary expenses of the Fund insofar as the same have not been written off, provided that such preliminary expenses may be written off directly from the capital of the Fund; and
- (g) all other assets of every kind and nature, including prepaid expenses.

The value of such assets shall be determined as follows:

- (1) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board may consider appropriate in such case to reflect the true value thereof;
  - (2) the value of securities which are quoted or dealt in on any stock exchange is based on the last available price;
  - (3) the value of securities dealt in on the over-the-counter markets or on any other regulated market is based on the last available price; and
  - (4) in the event that any of the securities held by the Fund on the relevant day are not quoted or dealt in on any stock exchange, over-the-counter market or other regulated market or if, with respect to securities quoted or dealt in on any stock exchange or dealt in on any over-the-counter market or other regulated market, the price as determined pursuant to sub-paragraph (2) or (3) is not representative of the fair market value of the relevant securities, the value of such securities will be determined based on the reasonably foreseeable sales price determined prudently and in good faith.
  - (5) Units or shares in undertakings for collective instruments shall be valued on the basis of their most recent net asset value.
  - (6) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.
  - (7) If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Fund's assets, the Board may fix different valuation principles in accordance with generally accepted accounting and valuation principles.
- (ii) The liabilities of the Fund shall be deemed to include:
- (a) all loans, bills and accounts payable;
  - (b) all accrued or payable administrative expenses (including investment management and/or advisory fees, custodian fees and agency fees excluding taxes of whatsoever kind and nature that may be incurred by the investment manager and/or advisor, custodian or any other agent providing services to the Fund);
  - (c) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Fund where

the Valuation Date falls on the record date for determination of the person entitled thereto or is subsequent thereto;

- (d) an appropriate provision for future taxes based on net assets to the Valuation Date, as determined from time to time by the Fund, and contingent liabilities, if any, authorised and approved by the Board; and
  - (e) all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Shares in the Fund. In determining the amount of such liabilities the Fund shall take into account all expenses payable by the Fund which shall comprise formation expenses, fees and expenses payable to its directors, any investment manager or advisor, accountants, custodian, domiciliary, registrar and transfer agents, any paying agents and subscription and redemption agents and permanent representatives in places of registration, any other agent employed by the Fund, fees for legal and auditing services, promotional, printing, reporting and publishing expenses, including the cost of advertising or preparing and printing of prospectuses, explanatory memoranda or registration statements, annual and semi-annual reports and the costs of obtaining or maintaining any registration with or authorisation from governmental or other competent authorities, taxes or governmental charges, and all other operating expenses, including the cost of buying and selling assets, the costs of holding Shareholder and Board meetings, interest, bank charges and brokerage, postage, telephone, fax and telex. The Fund may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.
- (iii) The Board shall establish a pool of assets for each Sub-Fund in the following manner:
- (a) the proceeds from the issue of Shares of each Sub-Fund shall be applied in the books of the Fund to the pool of assets established for that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such pool subject to the provisions of the Articles of Incorporation;
  - (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value shall be applied to the relevant pool;
  - (c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability shall be allocated to the relevant pool;
  - (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability shall be equally divided between all the pools or, insofar as justified by the amounts, shall be allocated to the pools pro rata to their respective net asset values; and
  - (e) upon the payment of dividends to the Shareholders in any Sub-Fund, the net asset value of such Sub-Fund shall be reduced by the amount of such dividends.
- (iv) For the purpose of paragraphs (ii) and (iii) and this paragraph (iv): (a) Shares in respect of which subscriptions have been accepted but payment has not yet been received shall be deemed to be existing; (b) Shares to be redeemed shall be treated as existing and taken into account until immediately after the close of business on the relevant Valuation Date, and from such time and until paid the price shall be

deemed to be a liability of the Fund; (c) all investments, cash balances and other assets of the Fund not expressed in the currency in which the net asset value of the relevant Sub-Fund is denominated shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the net asset value of such Shares.

For the purpose of calculating the net asset value of the Shares, the Administrative Agent, having due regards to the standard of care and due diligence in this respect, may exclusively rely upon valuations or prices which can be:

- either provided by or through independent, specialized and reputable external pricing sources which are either used by common market practice (including, but not limited to, (i) generally used information sources such as Reuters, Bloomberg, Telekurs and similar, (ii) brokers, prime brokers (if any) or external depositories, (iii) the administrators of portfolio funds and other assets, where the valuation of such assets is established by an administrator), or which have been specifically appointed to that effect by the Fund or the Management Company in accordance with the Law of 2010 (the “**External Pricing Sources**”), or
- established by the Management Company itself or any external valuer appointed by the Fund or the Management Company.

In such circumstances, the Administrative Agent shall not, in the absence of manifest error, be responsible for any loss suffered by the Fund or any Shareholder by reason of any error in the calculation of the net asset value of the Shares resulting from any inaccuracy in the information provided by the External Pricing Sources or by the Management Company itself or any external valuer.

In circumstances where one or more External Pricing Sources, the Management Company or the relevant service providers fail(s) to provide pricing/valuation for the assets of the Fund or, if for any reason, the pricing/valuation of any asset of the Fund may not be determined as promptly and accurately as required, the Administrative Agent shall promptly inform the Fund and/or the Management Company thereof and the Administrative Agent shall obtain authorised instructions in order to enable it to finalize the computation of the net asset value of the Shares. The Fund and/or the Management Company may decide to suspend the net asset value calculation, in accordance with the relevant provisions of this Prospectus and the Articles of Incorporation of the Fund, and instruct the Administrative Agent to suspend the net asset value calculation. The Fund and/or the Management Company shall be responsible for notifying the suspension of the net asset value calculation to the Shareholders, if required, or instructing the Administrative Agent to do so. If the Fund and/or the Management Company do(es) not decide to suspend the net asset value calculation in a timely manner, the Fund and/or the Management Company shall be solely liable for all the consequences of a delay in the net asset value calculation, and the Administrative Agent may inform the relevant authorities and the Fund’s auditor in due course.

Information regarding the net asset value per Share, the issue price and the redemption price will be available at the registered office of the Fund, at the office of the distribution agent, at the office of any other agent in those countries where the Fund is registered for public sale and will be published in such newspapers as the Board may from time to time determine.

With respect to the protection of investors in case of net asset value calculation error and the correction of the consequences resulting from non-compliance with the investment rules applicable to the Fund, the principles and rules set out in CSSF circular 02/77 of 27 November 2002, as amended from time to time, shall be applicable. As a result, the liability of the Administrative Agent in the context of the net asset value calculation process shall be limited to the tolerance thresholds applicable to the Fund set out in CSSF circular 02/77, as amended from time to time.

#### **N. TEMPORARY SUSPENSION OF ISSUES REDEMPTIONS AND CONVERSIONS**

The Fund may suspend the calculation of the net asset value and the right of any Shareholder to request the issue, redemption and conversion of any Share in any Sub-Fund of the Fund during (a) any period when any of the principal stock exchanges or regulated markets on which any substantial portion of the investments of the Fund attributable to the relevant Sub-Fund from time to time are quoted or dealt on is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or (b) the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable; or (c) any period when there is a breakdown in the means of communication normally employed in determining the price or value of any of the investments or the current price or values on any stock exchange or regulated market; or (d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board be effected at normal rates of exchange; (e) any period, the length of which shall be determined by the Board at its absolute discretion, during which a Sub-Fund consolidates with another Sub-Fund or with another undertaking for collective investment, pursuant to the Articles of Incorporation; and (f) any other circumstance or circumstances where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment to which the Fund or its Shareholders might not otherwise have suffered. Notice of any such suspension will be given to any Shareholder applying for subscription or tendering his Shares for redemption and may, in the event of such suspension exceeding or expected by the Board to exceed fourteen (14) business days, be published at the Management Company's Web Site: <http://www.pharusmanco.lu>

Shareholders will be also promptly notified upon the termination of such suspension at the Management Company's web site.

#### **O. MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING LEGISLATION**

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended) as well as circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. Accordingly, the Fund, the Management Company and the Registrar and Transfer Agent (pursuant to its risks based approach) may require, investors to provide proof of identity. In any case, the Registrar and Transfer Agent may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

In case of delay or failure by an investor to provide the documents required, the application for subscription may not be accepted and the payment of the redemption proceeds (in case of redemption request) and/or dividends

may not be processed. Neither the Fund nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the investor providing no or only incomplete documentation.

Shareholders may be, pursuant to the Registrar and Transfer Agent's risks based approach, requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

## **P. RISK FACTORS**

The investments of each Sub-Fund are subject to normal market fluctuations and other risks inherent in investing in securities and there can be no assurance that capital appreciation or distribution payments will occur.

The value of investments and income from them, and therefore the value of the Shares of each Sub-Fund, can and do go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies may also cause the value of the investment to diminish or increase. An investor who realises his investment in the Fund after a short period may not realise the amount originally invested in view of the initial charges made on the issue of Shares.

To each Sub-Fund may be linked additional specific risk factors, which are more fully described in the Appendix of the relevant Sub-Fund.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial advisor before investing. The following risk factors are not intended to be exhaustive and there may be other risk factors which a potential investor should consider prior to investing in Shares in a Sub-Fund. However, the investments of a Sub-Fund will be subject to market fluctuations and other risks normally associated with any investment and there can be no assurance that a Portfolio's investment objectives will be achieved.

### **(1) Special considerations on risks for Sub-Funds investing in fixed income and equity securities and in financial instruments**

#### **A) Investments in debt securities**

Among the principal risks of investing in debt securities are the following:

- interest rate risk (the risk that the value of the relevant Sub-Fund's investments will fall if interest rates rise);
- credit risk (the risk that companies in which the relevant Sub-Fund invests, or with which it does business, will fail financially, and be unwilling or unable to meet their obligations to the Portfolio);
- market risk (the risk that the value of the relevant Sub-Fund's investments will fall as a result of movements in financial markets generally); and
- management risk (the risk that the relevant Sub-Fund's investment techniques will be unsuccessful and may cause the Sub-Fund to incur losses).

Interest rate risk generally is greater for Sub-Funds that invest in fixed income securities with relatively long maturities than for Sub-Funds that invest in fixed income securities with shorter maturities.

**B) Investing in equity securities**

Investing in equity securities may offer a higher rate of return than those in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

**C) Exchange rates**

Some Sub-Funds are invested in securities denominated in a number of different currencies other than the reference currency in which the Portfolios are denominated; changes in foreign currency exchange rates will affect the value of Shares held in such Sub-Funds.

**D) Small capitalisation companies**

Investments in smaller capitalisation companies may involve greater risks such as markets and financial or managerial resources. Less frequently traded securities may be subject to more abrupt price movements than securities of larger capitalisation companies.

**E) New markets**

Newly created companies may not have sufficient financial support at their disposal in the years following their incorporation. Very often there shall be no distribution of dividends to the extent that the income of such companies is capitalised to finance the development of those companies.

**F) Investments in financial instruments**

Substantial risks are involved in investing in the various securities and instruments that some Sub-Funds intend to purchase and sell. Prices may be influenced by, among other factors; changing supply and demand relationships; the domestic and foreign policies of governments, particularly policies to do with trade or with tax and monetary matters; political events, particularly elections and those events that may lead to a change in government; the outbreak of hostilities, even in an area in which the Company has not invested; economic developments, particularly those related to balance of payments and trade, inflation, money supply, the issuance of government debt, changes in official interest rates, monetary revaluations or devaluations and modifications in financial market regulations.

Further, these Sub-Funds may have the majority of their assets invested in derivatives and other geared instruments; an extremely high degree of leverage is typical for derivatives trading accounts and, as a result, a relatively small price movement in the underlying security, commodity or currency may result in substantial losses or profits.

As a result of the nature of the investment activities, the results of the operations for these Sub-Funds may fluctuate substantially from period to period. Accordingly, investors should understand that the results of a particular period would not necessarily be indicative of results in future periods.

**G) Risks of options trading**

In seeking to enhance performance or hedge assets, the Sub-Funds may use options.

Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price.

Option markets are extremely volatile and the risk to incur a loss in relation to such markets is very high.

**H) Investing in futures is volatile and involves a high degree of leverage**

Futures markets are highly volatile markets. The profitability of the Sub-Funds will partially depend on the ability of the Investment Manager to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economical events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets, particularly currency markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin is required to trade on futures markets, the operations of the managed futures portion of the Sub-Funds shall be characterised by a high degree of leverage. As a consequence, a relatively small variation of the price of a futures contract may result in substantial losses for the concerned Sub-Fund and a correlated reduction of its net asset value.

**I) Futures markets may be illiquid**

Most futures markets limit fluctuation in futures contracts prices during a single day. When the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions can be neither taken nor liquidated unless the Investment Manager is willing to trade at or within the limit. In the past futures contracts prices have exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the concerned Sub-Fund from promptly liquidating unfavourable positions and thus subject the Sub-Fund to substantial losses. In addition, even if the prices do not get close to such limits, the Sub-Fund may be in a position not to obtain satisfying prices if the volumes traded on the market are insufficient to meet liquidation requests. It is also possible that a stock exchange, the Commodity Futures Trading Commission in the United States or another similar institution in another country suspends the listing of a particular contract, instructs the immediate liquidation of the contract or limits transactions on a contract to the sole transactions against delivery.



#### **J) Investments in OTC Markets**

Some Sub-Funds may also participate in OTC markets. When participating in the OTC markets these Sub-Funds will be exposed to:

- market risk, which is the risk of adverse movements in the value of the relevant security;
- liquidity risk, which is the risk that a party will be unable to meet its current obligations. Participants to OTC markets are not protected against defaulting counterparts in their transactions because such contracts are not guaranteed by a clearing house;
- managerial risk, which is the risk that a party's internal risk management system is inadequate or otherwise may fail to properly control the risks of transacting in the relevant security; and
- pricing risk, which is the risk of an improper pricing of the relevant security.

#### **K) Investments in Convertible Bonds**

Investments in convertible bonds are sensitive to fluctuations in the prices of the underlying shares ("share component" of convertible bonds) while offering a certain form of protection of part of the capital ("bond floor" of convertible bonds). The level of capital protection is influenced by the evolution of the share component. The corollary of this is that when a convertible bond's market value has increased substantially following an increase in the underlying share price, its risk profile will be closer to that of a share. On the other hand, when a convertible bond's market value has dropped to the level of its bond floor following a fall in the underlying share price, its risk profile, from this point, will be closer to that of a traditional bond.

Convertible bonds, like all other type of bonds, are subject to the risk that the issuer cannot meet its obligations as regards paying interest and/or repaying the principal at maturity (credit risk). The perception by the market of an increase in the probability of this risk occurring for a given issuer sometimes results in a very significant decline in the bond's market value and therefore in the protection offered by the bond content of the convertible bond. Bonds are in addition exposed to the risk of a drop in their market value following an increase in benchmark interest rates (interest rate risk). As a general rule, a bond's sensitivity to interest rate risk increases in line with the length of its maturity.

#### **L) Market Risk**

The investments of the Sub-Funds are subject to normal market fluctuations and the risks inherent in equity securities and similar instruments and there can be no assurances that appreciation will occur. The price of Shares can go down as well as up and investors may not realise their initial investment. Although the Board will attempt to restrict the exposure of the Fund to market movements, there is no guarantee that this strategy will be successful.

#### **M) Liquidity Risk**

Investments made by some Sub-Funds may be illiquid.

In particular, it may not always be possible to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions including the operation of daily price fluctuation limits. If trading on an exchange is suspended or restricted, these Sub-Funds

may not be able to execute trades or close out positions on terms which the Board believes are desirable.

In addition, swap contracts are OTC contracts with a single counterparty and may as such be illiquid. Although swap contracts may be closed out to realise sufficient liquidity, such closing out may not be possible or very expensive in extreme market conditions.

There is consequently no assurance that the liquidity of such investments will always be sufficient to meet redemption requests as and when made. Any lack of liquidity may affect the liquidity of the Shares and the value of its investments. For such reasons the treatment of redemption requests may be postponed in exceptional circumstances including if a lack of liquidity may result in difficulties in determining the net asset value of the Shares and consequently a suspension of issues and redemptions.

#### **N) Warrants**

Investors should be aware of, and prepared to accept, the greater volatility in the prices of warrants which may result in greater volatility in the price of Shares. Thus, the nature of the warrants will involve shareholders in a greater degree of risk than is the case with conventional securities.

#### **O) Credit Default Swap's Risk**

The use of credit default swaps (the “CDS”) can be subject to higher risk than direct investment in the underlying securities. The market for CDS may from time to time be less liquid than the underlying securities markets. In relation to the CDS where the Fund sells protection the Fund is subject to the risk of a credit event occurring in relation to the reference entity. Furthermore, in relation to the CDS where the Fund buys protection, the Fund is subject to the risk of the CDS counterparty defaulting.

To mitigate the counterparty risk resulting from CDS transactions, the Fund will only enter into credit default swaps with credit institutions subject to prudential supervision and the Fund which have experience in such transactions.

The purchase of CDS protection allows a Sub-fund, on payment of a premium, to protect itself against the risk of default by an issuer. In the event of default by an issuer, settlement can be effected in cash or in kind. In the case of a cash settlement, the buyer of the CDS protection receives from the seller of the CDS protection the difference between the nominal value and the attainable redemption amount. Where settlement is made in kind, the buyer of the CDS protection receives the full nominal value from the seller of the CDS protection and in exchange delivers to him the security which is the subject of the default, or an exchange shall be made from a basket of securities. The detailed composition of the basket of securities shall be determined at the time the CDS contract is concluded. The events which constitute a default and the terms of delivery of bonds and debt certificates shall be defined in the CDS contract. The Sub-fund can if necessary sell the CDS protection or restore the credit risk by purchasing call options.

Upon the sale of CDS protection, the Sub-fund incurs a credit risk comparable to the purchase of a bond issued by the same issuer at the same nominal value. In either case, the risk in the event of issuer default is in the amount of the difference between the nominal value and the attainable redemption amount. Besides the general counterparty risk, upon the concluding of CDS transactions there is also in particular a risk of the counterparty being unable to establish one of the payment obligations which it must fulfil. The Sub-fund will ensure that the counterparties

involved in these transactions are selected carefully and the risk associated with the counterparty is limited and closely monitored.

**P) Contracts for differences risk**

The Sub-Funds may have an exposure in Contracts for Difference (the “CFD”). CFD's are synthetic instruments which mirror the profit (or loss) of holding (or selling) equities directly without buying the actual securities themselves. A CFD on a company's shares will specify the price of the shares when the contract starts. The contract is an agreement to pay out cash on the difference between the starting share price and the share price when the contract is closed. Accordingly, under such an instrument the relevant Sub-fund will make a profit if it has a purchase position and the price of the underlying security rises (and make a loss if the price of the underlying security falls). Conversely if the Sub-Fund has a sale position, it will make a profit if the price of the underlying security falls (and make a loss if the price of the underlying security rises). As part of the normal market terms of trade the Fund must comply with market participants terms and conditions and in particular initial margin has to be paid to cover potential losses (on set up) and variation margin on adverse price movements (during the term of the CFD). In addition it should be noted that the relevant Sub-Fund could suffer losses in event of the CFD issuer's default or insolvency.

**Q) Special risk consideration regarding investments in high yield debt securities**

Certain High Yield Bonds are speculative, involve comparatively greater risks than higher quality securities, including price volatility, and may be questionable as to principal and interest payments.

The attention of the potential Investor is drawn to the type of high-risk investment that the Portfolios are authorised to make when they invest in High Yield Bonds.

Compared to higher-rated securities, lower-rated High Yield Bonds generally tend to be more affected by economic and legislative developments, changes in the financial condition of their issuers, have a higher incidence of default and be less liquid.

The Portfolios may also invest in High Yield Bonds placed by emerging market issuers that may be subject to greater social, economic and political uncertainties or may be economically based on relatively few or closely interdependent industries.

Corporate Debt Securities may bear Fixed Coupon or Fixed and Contingent Coupon or Variable Coupon and may involve equity features such as conversion or exchange rights or warrants for the acquisition of stock of the same or a different issuer (e.g. synthetic convertibles) or participation based on revenue, sales or profits.

**R) Special risks applicable to Sub-Fund investing in ABS/ MBS**

Investments in such securities carry the risk of default of the underlying collateral. Moreover the scheduled amortization plan is subject to a certain degree of uncertainty due to the uncertainty in the timing of the cash flows of the underlying collateral.

Liquidity may be limited during times of market stress.

Furthermore, the Sub-Fund may be subject to other risks. Indeed, rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in

interest rates. As a result, in a period of rising interest rates, a Sub-Fund that holds mortgage-related securities may exhibit additional volatility. This is known as extension risk.

In addition, mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a Sub-Fund because the Sub-Fund will have to reinvest that money at the lower prevailing interest rates.

The value of some mortgage- or asset-backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose a Sub-Fund to a lower rate of return upon re-investment of principal. When interest rates rise, the value of a mortgage-related security generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed Income Securities.

The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may shorten or extend the effective maturity of the security beyond what was anticipated at the time of purchase. If unanticipated rates of prepayment on underlying mortgages increase the effective maturity of a mortgage-related security, the volatility of the security can be expected to increase. The value of these securities may fluctuate in response to the market's perception of the creditworthiness of the issuers.

Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

#### **S) Contingent Convertible Instruments risk**

Such types of financial instruments, also known as **“CoCo bonds”**, **“CoCos”** or **“Contingent Convertible Notes”**, are slightly different to regular convertible bonds in that the likelihood of the bonds converting to equity is "contingent" on a specified event (the **“Trigger”**), such as the stock price of the company exceeding a particular level for a certain period of time. They carry a distinct accounting advantage since, unlike other kinds of convertible bonds, they do not have to be included in a company's diluted earnings per share until the bonds are eligible for conversion.

CoCos are also a form of capital that regulators hope could help buttress a bank's finances in times of stress. CoCos are different to existing hybrids because they are designed to convert into shares if the pre-set trigger is breached in order to provide a shock boost to capital levels and reassure investors more generally. Hybrids, including CoCos, contain features of both debt and equity. They are intended to act as a cushion between senior bondholders and shareholders, who will suffer first if capital is lost. The bonds usually allow a bank to either hold on to the capital past the first repayment date, or to skip paying interest coupons on the notes.

Shareholders should fully understand and consider the risks of CoCos and correctly factor those **“risks into their valuation”**. One inherent risk is related to the trigger levels (**the “Trigger level risk”**). Such levels determine the exposure to **“the conversion risk”**, depending on the distance to the trigger level. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator. As a result, the bond can be converted into equity at an unfavorable moment.

Furthermore, there is the **“risk of coupon cancellation”**. While all CoCos are subject to conversion or **“write down”** (i.e. the risk to lose part or all of the original investment, the **“write-down risk”**) when the issuing bank reaches the trigger level, for some CoCos there is an additional source of risk for the Shareholder in the form of coupon cancellation in a going concern situation. Coupon

payments on such type of instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on such CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation (the **“Valuation risk”**) of such instruments and may lead to mispricing of risk. Such CoCo holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

Further the **“Capital structure inversion risk”** should be taken into account: Contrary to classic capital hierarchy, investors in CoCos may also suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy, where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo, when equity holders will already have suffered loss. Moreover, high trigger CoCos may suffer losses not at the point of gone concern, but conceivably in advance of lower trigger CoCos and equity.

Some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority (the **“Call extension risk”**). It cannot be assumed that the perpetual CoCos will be called on call date. Such CoCos are a form of permanent capital. In these cases, the Shareholder may not receive return of principal if expected on call date or indeed at any date. Moreover, Shareholders might only resell CoCos on a secondary market, this potentially leading to the related **“liquidity and market risks”**.

In addition, there might arise risks due to “unknown factors” (the **“Unknown risk”**). In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, it is unclear whether the market will view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, in an illiquid market, price formation may be increasingly stressed.

Shareholders are also advised to consider the further risks associated with the investment in CoCos, in particular the **“industry concentration risk”** (which can result from the uneven distribution of exposures to financials due to the CoCos feature and structure, being CoCos requested to be part of the capital structure of financial institutions) and the **“liquidity risk”** (due to the fact that CoCos entail a liquidity risk in stressed market conditions, as a result of their general lower market volume compared to plain-vanilla bonds and of their specific investors).

Finally, Shareholders have been drawn to the instrument as a result of the CoCos’ often attractive yield which may be viewed as a complexity premium. Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether Shareholders have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favorably from a yield standpoint. The concern is whether Shareholders have fully considered the **“risk of conversion or coupon cancellation”**.

**For further information, please refer to the statement from the European Securities and Markets Authority (ESMA/2014/944) dated July 31, 2014, regarding potential risks associated with investing in contingent convertible instruments.**

## **T) Real Estate Securities risk**

A Real Estate Investment Trust or REIT is an entity that is dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centres, offices) and industrial (factories, warehouses) sectors. Certain REITs may also engage in real estate financing transactions and other real estate

development activities. The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

Investment in REITs will be allowed if they are qualified as transferable securities (called closed-ended REIT within the meaning of Article 41. (1), a), b), c) and d) of the Law of 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008), the units of which are listed on a Regulated Market.

Real estate investments may be affected by any changes in the value of the properties owned and other factors, and their prices tend to go up and down. Real estate investment performance depends on the types and locations of the properties the REIT owns. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants' failure to pay a rent or poor management. Real estate investment performance also depends on the REIT's ability to finance property purchases and renovations and manage its cash flows. Since real estate investments typically are invested in a limited number of projects or in a particular market segment, they are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments.

#### **U) Collateralized Debt Obligations Risk**

Collateralized debt obligations (the “CDOs”) include collateralized bond obligations (the “CBOs”), collateralized loan obligations (the “CLOs”), and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust that is backed by a diversified pool of fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans.

Collateralized debt obligations are subject to credit, interest rate, valuation, prepayment and extension risks. These securities also are subject to risk of default on the underlying asset, particularly during periods of economic downturn.

#### **V) Distressed Securities Risk**

Distressed securities are speculative and involve substantial risks in addition to the risks of investing in junk bonds. A Sub-Fund investing in these Securities will generally not receive interest payments on the distressed securities and may incur costs to protect its investment. In addition, distressed securities involve the substantial risk that principal will not be repaid. These securities may present a substantial risk of default or may be in default at the time of investment. The applicable Sub-Fund invested in Distressed Securities may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal of or interest on its portfolio holdings. In any reorganization or liquidation proceeding relating to a portfolio company, the concerned Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Distressed securities and any securities received in an exchange for such securities may be subject to restrictions on resale.

The risks associated with this type of instrument are further as follows:

1. Credit risk: This risk is particularly high in the case of distressed debt, as it is a debt in restructuring or in default. The probability of recovering the investment is then very low.
2. Liquidity risk: This risk is particularly high in the case of distressed debt, as it is a debt in restructuring or in default. The probability of being able to sell it in the short or medium term is then very low.

## **W) Risk Considerations applicable to the use of derivatives**

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. Investment in derivatives may add volatility to the performance of the Sub-Funds and involve peculiar financial risks.

The following is a summary of the risk factors and issues concerning the use of derivatives instruments (the “**FDI**”) that investors should understand before investing in the Fund.

### **Market Risk**

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to the Fund's interests.

### **Control and Monitoring**

Derivative products are highly specialized instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities.

The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Company and the ability to forecast the relative price, interest rate or currency rate movements correctly.

### **Legal risk**

There may be a risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

There may be a risk from uncertainty due to legal actions or uncertainty in the applicability or interpretation of contracts, laws or regulations.

The use of Over the Counter (the “**OTC**”) derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Sub-Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

The terms of Over the Counter Financial Derivative Instrument (the “**OTC FDI**”) are generally established through negotiation between the parties thereto.

While therefore more flexible, OTC FDI may involve greater legal risk than exchange-traded instruments, which are standardized as to the underlying instrument, expiration date, contract size and strike price, as there may be a risk of loss if the OTC FDI are deemed not to be legally enforceable or are not documented correctly. There may also be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims under the OTC FDI. A Fund thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, and that those payments may be delayed or made only after the Fund has incurred the costs of litigation. Further, legal, tax and regulatory changes could occur which may adversely affect a Fund. The regulatory and tax environment for FDI is evolving, and changes in the regulation or taxation of FDI may adversely affect the value of such instruments held by the Fund and the Fund's ability to pursue its trading strategies.

### **Risk linked to the reuse of collateral or any guarantee granted under any leveraging arrangement**

Investors should take explicitly into account the risk of reuse of collateral or and any guarantee granted under any leveraging arrangement.

### **Liquidity Risk**

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Fund will only enter into OTC derivatives if it is allowed to liquidate such transactions at any time at fair value).

### **Counterparty Risk**

The Fund may enter into transactions in OTC markets, and the Sub-Funds may incur losses through their commitments vis-à-vis a counterparty on the techniques described above, in particular its swaps, total return swaps (the "TRS"), forwards, in the event of the counterparty's default or its inability to fulfil its contractual obligations. This will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realize any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

### **Securities Lending, Repurchase Agreements and Reverse Repurchase Transactions**

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honor its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favor of the Sub-Fund.

However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralized.

Fees and returns due to the Sub-Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralized. In addition, the value of collateral may decline between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the respective Sub-Fund. A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

The Fund may enter into securities lending, repurchase or reverse repurchase transactions with other companies. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Fund in a



commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Sub-Fund and its Shareholders. However, Shareholders should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

#### **Operational & Custody Risk:**

Operational risk is the risk of contract on financial markets, the risk of back office operations, custody of securities, as well as administrative problems that could cause a loss to the sub funds. This risk could also result from omissions and inefficient securities processing procedures, computer systems or human errors.

#### **Risk of relating to the use of Total Return Swaps**

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication.

Synthetic replication however involves counterparty risk. If the Sub-fund engages in OTC Derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full.

Where the Fund and any of its Sub-funds enters into TRSs on a net basis, the two payment streams are netted out, with Fund or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRSs is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's or relevant Sub-fund's risk of loss consists of the net amount of total return payments that the Fund or Sub-Fund is contractually entitled to receive.

### **(2) Counterparty Risk**

The Sub-Fund's Investment Manager may enter into transactions in "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This may expose the Fund to the risk that any counterparty will not settle a transaction because of a credit or liquidity problem, thus causing the relevant Sub-Fund(s) of the Fund to suffer a loss. No counterparty of the Fund involved in such transactions is subject to the general supervision of the Depositary Bank to the extent such counterparty does not hold assets of the Fund. In addition, in the case of a default, the Fund or its Sub-Fund(s) could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with no longer maturities where events may intervene to prevent settlement, or where the Fund or (its Sub-Fund(s)) has concentrated its transactions with a single or small group of counterparties.

Where the Fund enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure should comply with the criteria defined in the CSSF Circular 13/559 and in the ESMA Guidelines 2012/832.

### **(3) Emerging markets**

In emerging markets, in which some of the Sub-Funds will invest, the legal, judicial and regulatory

infrastructure is still developing and there is much legal uncertainty both for local market participants and their foreign counterparts. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable. The following statements are intended to summarise some of these risks, but are not exhaustive, nor do they offer advice on the suitability of investments.

**A) Political and economic risks**

- Economic and/or political instability could lead to legal, tax and regulatory changes or the reversal of legal/tax/regulatory/market reforms. Assets could be compulsorily acquired without adequate compensation.
- The economic circumstances of a country could lead to the sudden imposition of taxes or exchange controls.
- High inflation can mean that businesses have difficulty managing working capital.
- Local management teams are often inexperienced in operating companies in free market conditions.
- A country may be heavily dependent on its commodity and resource exports and therefore be vulnerable to weaknesses in world prices for these products.

**B) Legal environment**

- The interpretation and application of decrees and legislative acts can often be contradictory and uncertain particularly in respect of matters relating to taxation.
- Legislation could be imposed retrospectively or may be issued in the form of internal regulations which the public may not be made aware of.
- Judicial independence and political neutrality cannot be guaranteed.
- State bodies and judges may not adhere to the requirements of the law and the relevant contract.
- There is no certainty that investors will be compensated in full or in part for any damage incurred or loss suffered as a result of legislation imposed or decisions of state bodies or judges.

**C) Accounting practices**

- The accounting and audit systems may not accord with international standards.
- Even when reports have been brought into line with international standards, they may not always contain correct information.
- Obligations on companies to publish financial information may be limited.

**D) Shareholder risk**

- Existing legislation may not be adequately developed to protect the rights of minority shareholders.
- There is generally a less developed concept of fiduciary duty to shareholders on the part of management.
- There may be limited recourse for violation of such shareholder's rights.

**E) Market and settlement risks**

- The securities markets of some countries lack the liquidity, efficiency, regulatory and supervisory controls, such as rules against the use of insider information, of more developed markets.
- Lack of liquidity may adversely affect the value or ease of disposal of assets.
- The share register may not be properly maintained and the ownership interests may not be, or remain, fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be

- difficult to prove beneficial ownership of the securities.
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds.

**F) Price movement and performance**

- Factors affecting the value of securities in some markets cannot easily be determined.
- Investment in securities in some markets carries a high degree of risk and the value of such investments may decline or be reduced to zero.

**G) Currency risk**

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
- The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.
- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.

**H) Execution and counterparty risk**

In some markets there may be no secure method of delivery against payment which would avoid exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

**I) Depositary receipts risk**

Depositary receipts (ADRs, GDRs and EDRs) are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded. Accordingly whilst the depositary receipts are traded on Recognised Exchanges, there may be other risks associated with such instruments to consider- for example the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks.

**(4) Special considerations on risks for Sub-Funds investing in other UCIs**

Investment in the said Sub-Funds is subject to different and greater risks than a traditional investment. Investors must be aware that the redemption price of Shares in the Fund may be lower than the amount invested on subscription.

The risks discussed below should not be construed as being an exhaustive list of all the risks associated with an investment in shares of the Sub-Funds which invest in other UCIs.

**A) New UCIs**

UCIs in which some Sub-Funds invest may have been recently set up and have little or no performance record as proof of the efficiency of their management. The Board intend to reduce this risk by investing in recently set up UCIs selected for the quality and past experience of their respective managers.

**B) Conflicts of interest**

Conflicts of interest may arise between the Fund and the persons or entities involved as advisers in the management of the Fund and/or the managers of UCIs in which the Fund invests. These

managers of UCIs generally manage the assets of other clients who make similar investments to those made on behalf of the UCIs in which the Fund invests. Consequently, such clients may compete for the same transactions or investments. Although the investments or opportunities offered to each client are generally allocated on an equitable basis, these sharing procedures may, on occasion, have a negative impact on the price paid or received for investments, or on the volume of positions acquired or settled.

Conflicts may also arise due to the other services offered by a Edmond de Rothschild Group or Pharus Management entity, especially management or deposit services, or other services rendered to the manager, other clients and to some UCIs in which the Fund invests. Similarly, Board of the Fund may also be Board of UCIs in which the Fund invests and this may cause a conflict of interest between such UCIs and the Fund.

Generally speaking, conflicts of interest may exist between the best interests of the Fund and the interests of the Investment Manager, its affiliated companies and its Board, to generate fees or to realise other profits. Should any such conflict of interest arise, the Board of the Fund will attempt to resolve the matter equitably.

Moreover, some managers of UCIs in which the Fund invests have a holding in their own undertaking for collective investment. Conflicts of interest cannot be excluded at the UCIs level.

**C) Performance fee**

Due to the specialist nature of the UCIs in which the Fund invests, a certain number, indeed most of them, may provide for payment of performance fees. This may result in a Sub-Fund, whose assets are invested in several UCIs, having to pay performance fees in relation to some of these investments even if the net asset value of the Sub-Fund has fallen due to the poor performance of some other UCIs in which the Sub-Fund has invested. Furthermore, the fact that the investment managers of certain UCIs in which the Fund invests are entitled to receive a performance fee could lead them to take positions that involve more risk than they would otherwise have accepted.

**D) Fee structure**

The Fund may have to bear the costs of its management and the fees paid to the Investment Manager, the Depository and other service providers, as well as a proportionate share of the fees paid by the UCIs (in which the Fund invests) to their managers or other service providers. Consequently, the operating costs of the Fund may be higher as a percentage of the net asset value than those found in other investment vehicles. Moreover, some strategies deployed in UCIs require frequent changes in positions and a substantial portfolio turnover. This may involve significantly higher brokerage fees than in other UCI of comparable size.

**E) Multiplication of costs**

The investment policy of certain Sub-Funds may consist of investing in target UCIs.

The investment by a Sub-Fund in target UCIs may result in a duplication of some costs and expenses which will be charged to the Sub-Fund, i.e. setting up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, custodian bank fees, auditing and other related costs. For shareholders of the said Sub-Fund, the accumulation of these costs may cause higher costs and expenses than the costs and expenses that would have been charged to the said Sub-Fund if the latter had invested directly.

The Fund will however avoid any irrational multiplication of costs and expenses to be borne by the shareholders.

#### **F) Real Estate Investments**

Certain Sub-Funds may have an exposure to the real estate market through the investment in units or shares of UCIs investing in real estate and/or in securities of real estate-related companies.

There are special risk considerations associated with real estate investments. These risks include: the cyclical nature of real estate values, risk related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the relevant Sub-Fund's investment.

#### **Q. GENERAL INFORMATION**

- (1) By an agreement dated 13.07.2016 as amended from time to time (the "**Depositary Bank Agreement**"), Edmond de Rothschild (Europe) has been appointed by the Fund as depositary bank of the Fund.

Pursuant to the Depositary Bank Agreement, Edmond de Rothschild (Europe) is also acting as domiciliary agent of the Fund (the "**Domiciliary Agent**").

Edmond de Rothschild (Europe) is a bank organized as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and regulated by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"). Its registered office is at 20, boulevard Emmanuel Servais, L-2535 Luxembourg. It is a wholly-owned subsidiary of Edmond de Rothschild (Suisse) S.A..

The Depositary Bank Agreement provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon 90 days' written notice.

The Depositary Bank Agreement is governed by the laws of Luxembourg and the courts of Luxembourg shall have exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Bank Agreement.

In consideration of the services rendered, Edmond de Rothschild (Europe) Bank receives a fee corresponding to a part of the Service Fee as detailed in section I. "Charges And Fees" of this Prospectus.

The Depositary Bank shall assume its functions and responsibilities in accordance with the Law of 2010 and the Depositary Bank Agreement. With respect to its duties under the Law of 2010, the Depositary Bank shall ensure the safekeeping of the Fund's assets. The Depositary Bank has also to ensure that the Fund's cash flows are properly monitored in accordance with the Law of 2010.

In addition, the Depositary Bank shall also ensure:

- that the sale, issue, repurchase, redemption and cancellation of the Shares of the Fund are carried out in accordance with Luxembourg law and the Articles of Incorporation of the Fund;
- that the value of the Shares of the Fund is calculated in accordance with Luxembourg law and the Articles of Incorporation of the Fund;
- to carry out the instructions of the Fund and the Management Company, unless they conflict with Luxembourg law or the Articles of Incorporation of the Fund;

- that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- that the Fund's incomes are applied in accordance with Luxembourg law and the Articles of Incorporation of the Fund.

The Depositary Bank shall be liable to the Fund or to the Shareholders for the loss of the Fund's financial instruments held in custody by the Depositary Bank or its delegates to which it has delegated its custody functions. A loss of a financial instrument held in custody by the Depositary Bank or its delegate shall be deemed to have taken place when the conditions of article 18 of the Commission Delegated Regulation (EU) of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries (the "**UCITS Delegated Regulation**") are met. The liability of the Depositary Bank for losses other than the loss of the Fund's financial Instruments held in custody shall be incurred pursuant to the provisions of the Depositary Bank Agreement.

In case of loss of the Fund's financial instruments held in custody by the Depositary Bank or any of its delegates, the Depositary Bank shall return financials instruments of identical type or the corresponding amount to the Fund without undue delay. However, the Depositary Bank's liability shall not be triggered provided the Depositary can prove that all the following conditions are met:

- (i) the event which led to the loss is not the result of any act or omission of the Depositary or of any of its delegates;
- (ii) the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice;
- (iii) the Depositary could not have prevented the loss despite rigorous and comprehensive due diligence as documented in accordance with point (c) of article 19 (1) of the UCITS-CDR.

The requirements referred to in points (i) and (ii) in this paragraph may be deemed to be fulfilled in the following circumstances:

- (a) natural events beyond human control or influence;
- (b) the adoption of any law, decree, regulation, decision or order by any government or governmental body, including any court or tribunal, which impacts the Company's financial instruments held in custody;
- (c) war, riots or other major upheavals.

The requirements referred to in points (i) and (ii) in the previous paragraph shall not be deemed to be fulfilled in cases such as an accounting error, operational failure, fraud, failure to apply the segregation requirements at the level of the Depositary or any of its delegates.

The Depositary may delegate its safekeeping duties with respect to the Company's financial instruments held in custody or any other assets (except for the cash) in accordance with the UCITS Directive, the UCITS-CDR and applicable law. The Depositary Bank's liability shall not be affected by any delegation of its custody functions.

An up-to-date list of the third-party delegates (including the global sub-custodian) appointed by the Depositary Bank and of the delegates of these third-party delegates (including the global sub-custodian) is available on the following website:

<http://www.edmond-de-rothschild.com/site/Luxembourg/en/asset-management/terms-and-conditions>.

In carrying out its functions, the Depositary Bank shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the Shareholders of the Fund.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary Bank and/or its affiliates and/or sub-custodians of other services to the Fund, the Management Company and/or other parties. For example, the Depositary Bank may act as depositary bank of other funds. It is therefore possible that the Depositary Bank (or any of its affiliates and/or sub-custodians) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund and/or other funds for which the Depositary Bank (or any of its affiliates and/or sub-custodians) acts.

Where a conflict or potential conflict of interest arises, the Depositary Bank will have regard to its obligations to the Fund and will treat the Fund and the other funds for which it acts fairly and such that, so far as is reasonably practicable, any transactions are effected on terms which are not materially less favourable to the Fund than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary Bank's functions from its other potentially conflicting tasks and by the Depositary Bank adhering to its own conflicts of interest policy.

A description of the conflicts of interest that may arise in relation to the Depositary Bank services, if any, including the identification of the conflicts of interest in relation to the appointment of third-party delegates (including the global sub-custodian) will be made available to the Fund's Shareholders on request at the Fund's registered office.

Under no circumstances shall the Depositary Bank be liable to the Fund, the Management Company or any other person for indirect or consequential damages and the Depositary Bank shall not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Depositary Bank has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

The Depositary Bank is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Fund. The Depositary Bank shall not have any investment decision-making role in relation to Fund. Decisions in respect of the purchase and sale of assets for the Fund, the selection of investment professionals and the negotiation of commission rates are made by the Fund and/or the Management Company and/or their delegates. Shareholders may ask to review the Depositary Bank Agreement at the registered office of the Fund should they wish to obtain additional information as regards the precise contractual obligations and limitations of liability of the Depositary Bank.

The fees and charges of the Depositary Bank in connection with its services are borne by the Fund in accordance with common practice in Luxembourg.

Edmond de Rothschild (Europe), in any capacity shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained in the Prospectus.

Pursuant to an agreement dated 13.07.2016 as amended from time to time (the "**Central Administration Agreement**"), Edmond de Rothschild Asset Management (Luxembourg) acts as the administrative, paying, registrar and transfer agent of the Fund (collectively the "**Central Administration Agent**").

The Central Administration Agent is in charge of processing of the issue, redemption and conversion of the Shares of the Fund and settlement arrangements thereof, keeping the register of the Fund's Shareholders, calculating the net asset value of the Fund's Shares, maintaining the records and other general functions as more fully described in the Central Administration Agreement.

The Central Administration Agent will not be liable for the investment decisions regarding the Fund nor the consequences of such investment decisions on the Fund's performance. The Central Administration Agent is not responsible for the monitoring of the compliance of the Fund's investments with the rules contained in its Articles of Incorporation and/or this Prospectus and/or in any investment management agreement(s) concluded between (i) the Fund and/or the Management Company and (ii) any investment manager(s).

The Administrative Agent may sub-contract all or part of its functions to one or more sub-contractor(s) which, in view of functions to be sub-contracted, has/have to be qualified and competent for performing them. The Administrative Agent's liability shall not be affected by such sub-contracting.

The Central Administration Agreement provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon 90 days' written notice.

In consideration of the services rendered, the Central Administration Agent receives a fee corresponding to a part of the Service Fee as detailed in section I. "Charges And Fees" of this Prospectus. The Central Administration Agent shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained in the Prospectus.

- (2) The capital of the Fund is at all times equal to its total net assets. The minimum capital required by Luxembourg law is Euro 1,250,000.
- (3) The duration of the Fund is unlimited and dissolution of the Fund is normally decided upon by an extraordinary Shareholders' meeting. If the capital of the Fund falls below two thirds of the minimum capital, the Board must submit the question of the dissolution of the Fund to a general meeting for which no quorum shall be prescribed and at which decisions shall be taken by a simple majority of the Shares represented at the meeting. If the capital of the Fund falls below one quarter of the minimum capital, the Board must submit the question of the dissolution of the Fund to a general meeting for which no quorum shall be prescribed and the dissolution may be resolved by Shareholders holding one quarter of the Shares represented at the meeting.
- (4) In the event of a dissolution of the Fund, liquidation shall be carried out by one or several liquidators named by the meeting of Shareholders affecting such dissolution and which shall determine their powers and their remuneration. The net proceeds of liquidation corresponding to each Sub-Fund shall be distributed by the liquidators to the holders of Shares of each Portfolio in proportion to their holding of Shares of such Sub-Fund.

If the Fund should be voluntarily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 2010 which specifies the steps to be taken to enable Shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the *Caisse de Consignations* of any such amounts which have not promptly been claimed by any Shareholders upon the close of the liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg law.

- (5) Confirmations of shareholding will be issued. Confirmations of shareholding will be given to Shareholders by registered book entry.
- (6) The Fund will bear all its expenses which shall comprise fees and expenses payable to its directors, investment advisors, accountants, custodian, registrar, transfer, domiciliary, paying or administrative agents, subscription and redemption agents and permanent representatives in places of registration, any other agent employed by the Fund, fees for legal and auditing services, reasonable promotional, printing, reporting and publishing expenses, including the cost of advertising or preparing and printing of the prospectuses and



the Key Investor Information Documents, explanatory memoranda, registration statements or annual and semi-annual reports and the costs of obtaining or maintaining any registration with or authorisation from governmental or other competent authorities, insurance costs, taxes or governmental charges and all other operating expenses, including the cost of buying and selling assets, the direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the Fund, interest, bank charges and brokerage, postage, telephone and telex. The Fund will not bear taxes of whatsoever kind and nature that may be incurred by the investment manager and/or advisor, custodian or any other agent providing services to the Fund. The Fund may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

- (7) The expenses incurred in connection with the setting-up of the Fund have been amortised. If further Sub-Funds are created in the future, these Sub-Funds will bear, in principle, their own formation expenses. The Board may decide for newly created Sub-Funds to participate in the payment of the initial formation expenses of the Fund in circumstances where this would appear to be more fair to the Sub-Funds concerned and their respective Shareholders. Any such decision of the Board will be reflected in an updated Prospectus.
- (8) No Shares or loan capital of the Fund have been or are agreed to be issued fully or partly paid up otherwise than in cash. No Shares in the Fund are under option or agreed conditionally or unconditionally to be put under option. Save as disclosed herein, no commissions have been or are proposed to be granted in connection with the issue of any Shares or loan capital of the Fund.
- (9) The principal object of the Fund is to carry on business as a collective investment company.
- (10) The following contracts (not being contracts in the ordinary course of business) have been entered into and are, or may be, material:
  - a) the Depositary Bank Agreement pursuant to which whereby Edmond de Rothschild (Europe) acts as the depositary bank and domiciliary agent of the Fund;
  - b) the Central Administration Agreement pursuant to which Edmond de Rothschild Asset Management (Luxembourg) acts as registrar, transfer, administrative, paying agent of the Fund; and
  - c) the Investment Management Agreement between Pharus Management Lux S.A. and the Investment Manager effective October 1, 2012.Any such contract may be amended by mutual consent of the parties thereto, the decision on behalf of the Fund being made by its Board.
- (11) Copies of the following documents may be obtained free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Fund, at 20, boulevard Emmanuel Servais, L-2535 Luxembourg and at the office of the distribution agent in those countries where the Fund is registered for public sale:
  - (a) the Articles of Incorporation of the Fund;
  - (b) the material contracts referred to above;
  - (c) the latest Prospectus and Key Investor Information Document (KIID) of the Fund; and
  - (d) the latest annual and semi-annual reports of the Fund.

The following contracts are available for inspection by investors and/or Shareholders during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Fund, at 20, boulevard Emmanuel Servais, L-2535 Luxembourg:

1. the Depositary Bank Agreement; and
2. the Central Administration Agreement.

(12) The general meeting of Shareholders of a Sub-Fund, deciding in accordance with the quorum and majority requirements required for the amendment of the Articles of Incorporation, may reduce the capital of the Fund by cancellation of any Shares of such Sub-Fund and refund to the holders of Shares cancelled in such a Sub-Fund the full net asset value of the Shares of such Sub-Fund as at the date of cancellation.

The general meeting of Shareholders of a Sub-Fund may also decide to consolidate such Sub-Fund with another existing Sub-Fund or to contribute the relevant Sub-Fund to another undertaking for collective investment registered or to be registered pursuant to Part I of the Law of 2010 against the issue of Shares of such other Sub-Fund or undertaking for collective investment to be distributed to the holders of Shares of the Sub-Fund concerned.

Such decision will be published by the Fund and such publication will contain information in relation to the new Sub-Fund or the relevant undertaking for collective investment. Such publication will be made one month before the date on which such consolidation or amalgamation shall become effective in order to enable holders of such Shares to request redemption thereof, free of charge, before the implementation of any such transaction. In case of a consolidation of a Sub-Fund with another existing Sub-Fund the aforesaid publication can be made prior to (but subject to) the Shareholders' meeting deciding the consolidation.

There are no quorum requirements for the general meeting deciding upon a consolidation of various Sub-Funds within the Fund and resolutions on this subject may be taken by simple majority of the Shares represented at the meeting. Resolutions to be passed by a general meeting with respect to a contribution of a Sub-Fund to another undertaking for collective investment shall be subject to the same quorum and majority requirements as for amendments to the Articles of Incorporation. Where an amalgamation is to be implemented with a mutual investment fund (*fonds commun de placement*) or a foreign based undertaking for collective investment, such resolution shall be binding only on holders of Shares who have approved the proposed amalgamation.

In addition to the above, the Board may decide upon the cancellation of a Sub-Fund or its consolidation with another Sub-Fund or another undertaking for collective investment as described and pursuant to the procedures set forth hereabove, if at any time the Board determines upon reasonable grounds that:

- (i) the continued existence of any Sub-Fund would contravene the securities or investment or similar laws or requirements or any governmental or regulatory authority in Luxembourg or any other country in or from which the Fund is established and managed or the Shares are marketed; or
- (ii) the continued existence of any Sub-Fund would result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which it might not otherwise have incurred or suffered; or
- (iii) the continued existence of any Sub-Fund would prevent or restrict the sale of the Shares in any such country as aforesaid; or
- (iv) in the event that a change in the economic or political situation relating to a Portfolio so justifies; or

- (v) in the event that the total net asset value of any Sub-Fund is less than Euro 2 million (or its equivalent).
- (13) Pursuant to the powers given to the Board to impose restrictions for the purpose of ensuring that Shares are not acquired or held by certain persons, the Fund may, where it appears to it that a person, who is precluded, is holding Shares, compulsorily redeem from such person all Shares held by him by serving a notice upon him in accordance with the provisions of the Articles of Incorporation.

The Articles of Incorporation also provide that if the net asset value attributable to all Shares of any one Sub-Fund is less than **Euro 2 million** (or its equivalent) the Board may require and effect a redemption of all the Shares of that Sub-Fund. In such case, the registered Shareholders of the relevant Sub-Fund will be informed of the Board's decision by not less than one month's notice sent to them at their registered address.

- (14) (i) No contract or other transaction between the Fund and any other corporation or firm shall be affected or invalidated by the fact that any one or more of the directors or officers of the Fund is interested in, or is a director, associate, officer or employee of, such other corporation or firm. Any director or officer of the Fund who serves as a director, officer or employee of any corporation or firm with which the Fund shall contract or otherwise engage in business shall not, by reason of such affiliation, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

(ii) In the event that any director or officer of the Fund may have any personal interest in any transaction of the Fund, such director or officer shall make known to the Board such personal interest and shall not consider or vote on any such transaction, and such transaction, and such director's or officer's interest therein shall be reported to the next succeeding meeting of Shareholders.

(iii) The term "personal interest", as used in the preceding sub-paragraph (ii), shall not include any relationship with or interest in any matter, position or transaction involving Edmond de Rothschild (Europe), Edmond de Rothschild Asset Management (Luxembourg) and Pharus Asset Management S.A. or any subsidiary thereof or such other corporation or entity as may from time to time be determined by the Board at its discretion.

(iv) The Fund may indemnify any director or officer, and his heirs, executors and administrators, against any expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a director or officer of the Fund or, at its request, of any other corporation of which the Fund is a shareholder or creditor and from which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Fund is advised by counsel that the person to be indemnified did not commit such breach of duty. The foregoing right of indemnification shall not exclude other rights to which he may be entitled.

- (15) The latest price for each class of Share can be ascertained at the registered office of the Fund and at the office of the distribution agent in those countries where the Fund is registered for public sale. Such prices will also be published in such newspapers as the Board may from time to time determine.

## R. INVESTMENT RESTRICTIONS

The Board has adopted the following restrictions relating to the investment of the Fund's assets and its activities. These restrictions and policies may be amended from time to time by the Board if and as it shall deem it to be in the best interests of the Fund in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Sub-Fund. Those restrictions in paragraph 1. (D) below are applicable to the Fund as a whole.

### I. Investment in eligible assets

(A) The Fund will exclusively invest in:

- a) transferable securities and money market instruments admitted to an official listing on a stock exchange in any member state of the European Union (the "**EU**"), any member state of the Organisation for Economic Cooperation and Development (the "**OECD**"), and any other state which the Board deems appropriate with regard to the investment objectives of each Sub-Fund (the "**Eligible State**"); and/or
- b) transferable securities and money market instruments dealt in on another market which is regulated, operates regularly and is recognised and open to the public in an Eligible State (the "**Regulated Market**"); and/or
- c) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an official stock exchange or another Regulated Market and such admission is achieved within one year of the issue; and/or
- d) units of an undertaking for collective investment in transferable securities authorised according to Council Directive 2009/65/CE, as amended (the "**UCITS**") and/or of an undertaking for collective investment or investment fund within the meaning of the first and second indent of Article 1(2) of Council Directive 2009/65/CE, as amended (the "**other UCIs**"), whether situated in an EU member state or not, provided that:
  - such other UCIs have been authorised under the laws of any member country of the European Union or under the laws of Canada, Hong Kong, Japan, Norway, Switzerland or the United States,
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of directive 2009/65/CE,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or

- e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an OECD member state and a FATF country; and/or
- f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs (a) and (b) above, and/or financial derivative instruments dealt in over-the-counter (the "**OTC derivatives**"), provided that:
  - the underlying consists of instruments covered by this section (A) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

and/or

- g) money market instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, a non-EU member state or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU member states belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets, or
  - issued or guaranteed by a credit institution which has its registered office in a country which is an OECD member state and a FATF country.

In addition, the Fund may invest a maximum of 10% of the net asset value of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

(B) Each Sub-Fund may hold ancillary liquid assets.

(C) (i) Each Sub-Fund may invest no more than 10% of its net asset value in transferable securities or money market instruments issued by the same body.

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

- (ii) Furthermore, where any Sub-Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the net asset value of such Sub-Fund, the total value of all such investments must not account for more than 40% of the net asset value of such Sub-Fund .

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

Notwithstanding the individual limits laid down in paragraph (C) (i), a Sub-Fund may not combine:

- investments in transferable securities or money market instruments issued by,
  - deposits made with, and/or
  - exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.
- (iii) The limit of 10% laid down in paragraph (C) (i) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members.
- (iv) The limit of 10% laid down in paragraph (C) (i) above shall be 25% in respect of debt securities which are issued by credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

If a Sub-Fund invests more than 5% of its assets in the debt securities referred to in the subparagraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Sub-Fund.

- (v) The transferable securities and money market instruments referred to in paragraphs (C)(iii) and (C)(iv) are not included in the calculation of the limit of 40% referred to in paragraph (C)(ii).

The limits set out in paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivative instruments made with this body, effected in accordance with paragraphs (C)(i), (C)(ii), (C)(iii) and (C) (iv) may not, in any event, exceed a total of 35% of each Sub-Fund 's net asset value.

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

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

- (vi) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of a Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Luxembourg supervisory authority, provided
- 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 limit laid down in the subparagraph above is 35% where it proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

- (vii) Where any Sub-Fund has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by an EU member state, its local authorities, or by an Eligible State which is an OECD member state, or by public international bodies of which one or more EU member states are members, the Fund may invest 100% of the net asset value of any Sub-Fund in such securities and money market instruments provided that such Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of the Sub-Fund.

Subject to having due regard to the principle of risk spreading, a Sub-Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its authorisation and launch.

- (D) (i) The Fund may not acquire shares carrying voting rights which would enable the Fund to exercise significant influence over the management of the issuing body.
- (ii) The Fund may acquire no more than (a) 10% of the non-voting shares of the same issuer, (b) 10% of the debt securities of the same issuer, and/or (c) 10% of the money market instruments of the same issuer. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of instruments in issue cannot be calculated.

The limits set out in paragraph (D)(i) and (ii) above shall not apply to:

- (i) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by any other Eligible State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members; or

- (iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Sub-Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law of 2010.
- (E) (i) Each Sub-Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph (A) (d), provided that no more than 20 % of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI.
- For the purpose of the application of investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
- (ii) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.
  - (iii) When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or UCIs.
- In respect of a Sub-Fund's investments in UCITS or other UCIs as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 3% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.
- (iv) The Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.
  - (v) The underlying investments held by the UCITS or other UCIs in which the Sub-Funds invest do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.

## **II. Investment in other assets**

- (A) The Fund will not make investments in precious metals or certificates representing these.
- (B) The Fund may not enter into transactions involving commodities or commodity contracts, except that the Fund may employ techniques and instruments relating to transferable securities within the limits set out in paragraph III. below.



- (C) The Fund will not purchase or sell real estate or any option, right or interest therein, provided the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (D) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in 1.(A) (1) d), f) and g).
- (E) The Fund may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (F) The Fund will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in (E) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of each Sub-Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (G) The Fund will not underwrite or sub-underwrite securities of other issuers.

### III. **Financial derivative instruments and techniques and instruments relating to transferable securities**

Pursuant to Article 42(2) and 47 of the Law of 2010 the Fund, for each of its Sub-Funds, is authorised to employ financial derivative instruments and techniques and instruments to protect its assets against exchange risks and may employ techniques and instruments relating to transferable securities for the purpose of efficient portfolio management. In any circumstances the global exposure relating to financial derivative instruments will not exceed the total net assets of the relevant Sub-Fund.

The financial derivative instruments and techniques and instruments which the Fund is authorised to use under this provision are more fully described hereafter.

### **S. CROSS SUB-FUND INVESTMENTS**

Pursuant to Article 181 (8) of the Law of 2010 and subject to subject to the conditions provided for in the Articles of Incorporation of the Fund each Sub-Fund may subscribe to, acquire and/or hold Shares of another Sub—Fund (the “**Target Sub-Fund**”) provided that

- (a) 1.1. the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund; and
- (b) no more than 10% of the net assets of the Target Sub-Fund whose acquisition is contemplated may be, according to its investment policy, invested in aggregate in units of other UCITS and/or UCIs; and
- (c) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the concerned Sub-Fund and without prejudice to the appropriate processing in the accounts and periodic reports; and
- (d) in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the Law;

**A. Financial derivative instruments and techniques and instruments relating to transferable securities.**

For the purpose of efficient portfolio management and/or investment, the Fund may, on behalf of each Sub-Fund, participate in transactions relating to

- options;
- financial futures and related options;
- securities lending;
- repurchase agreements.

The Fund may also employ techniques and instruments, which are intended to provide cover against exchange risks in the context of the management of its assets and liabilities.

There can be no assurance that the objective sought to be obtained from the use of the here below described techniques and instruments will be achieved.

In case not differently disclosed under the Sub-Fund particulars, the Sub-Funds will not enter into repurchase and reverse repurchase agreements nor enter into Total Return Swap or other financial derivative instruments with similar characteristics nor engage in securities lending transactions nor enter into OTC financial derivative transactions.

Should any Sub-Fund use such techniques and instruments in the future, the Fund will comply with the applicable regulations and in particular CSSF Circular 13/559 relating to ESMA guidelines on ETFs and other UCITS issues, as may be amended from time to time, and the Prospectus will be amended and updated accordingly.

In particular the Fund shall ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

As well, in case of repurchase and reverse repurchase transactions, the Fund shall ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement, respectively to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

**1 Transactions relating to options on transferable securities.**

The purchase and writing of call and put options by the Fund is permitted provided such options are traded on a regulated market which is operating regularly, recognised and open to the public.

When entering into these transactions, the Fund must comply with the following rules:

**1.1 Rules applicable to the purchase of options.**

The total premiums paid for the acquisition of call and put options outstanding and referred to herein may not together with the total of the premiums paid for the purchase of call and put options outstanding and referred to in heading 2.3. below, exceed 15 per cent of the net assets of a Sub-Fund .

**1.2 Rules to ensure the coverage of the commitments resulting from options transactions.**

Upon the conclusion of contracts whereby call options are written, the relevant Sub-Fund must hold either the underlying securities, or equivalent call options or other instruments capable of ensuring adequate coverage of the commitments resulting from such contracts, such as warrants. The underlying securities related to call options written may not be disposed of as long as these options are in existence unless such options are covered by matching options or by other instruments that can be used for that purpose. The same applies to equivalent

call options or other instruments which the relevant Sub-Fund must hold where it does not have the underlying securities at the time of the writing of such options.

As an exception to this rule, a Sub-Fund may write call options on securities it does not hold at the entering into the option contract provided the following conditions are met:

- the aggregate exercise (striking) price of such uncovered call options written shall not exceed 25 per cent of the net assets of the relevant Sub-Fund;
- the Fund must at any time be in the position to ensure the coverage of the position taken as a result of the writing of such options.

Where it writes put options, a Sub-Fund must be covered during the entire duration of the option contract by adequate liquid assets that may be used to pay for the securities which could be delivered to it in case of the exercise of the option by the counterpart.

### *1.3 Conditions and limits for the writing of call and put options.*

The aggregate of the commitments arising from the writing of put and call options (excluding call options written in respect of which the relevant Sub-Fund has adequate coverage) and the aggregate of the commitments from the transactions referred to in heading 2.3. hereafter may not, at any time, exceed the value of the net assets of the Sub-Fund concerned. In this context, the commitment on call and put options written is deemed to be equal to the aggregate of the exercise (striking) prices of those options.

## **2 Transactions relating to futures and option contracts relating to financial derivative instruments.**

Except for transactions by private contract mentioned under heading 2.2. below, the transactions described herein may only relate to contracts that are dealt in on a regulated market which is operating regularly, recognised and open to the public.

Subject to the conditions specified below, these transactions may be made for hedging or other purposes.

### *2.1 Transactions with the purpose of hedging risks connected to the evolution of stock markets.*

A Sub-Fund may sell stock index futures for the purpose of hedging against a global risk of an unfavourable evolution of stock markets. For the same purpose, it may also write call options on stock indices or purchase put options thereon.

The hedging purpose of these transactions presupposes that there exists a sufficient correlation between the composition of the index used and the corresponding portfolio.

In principle, the aggregate commitments resulting from futures contracts and stock index options may not exceed the aggregate estimated market value of the securities held by the relevant Sub-Fund in the corresponding market.

### *2.2 Transactions with the purpose of hedging interest rates.*

A Sub-Fund may sell interest rate futures contracts for the purpose of achieving a global hedge against interest rate fluctuations. It may also for the same purpose write call options or purchase put options on interest rates or enter into interest rate swaps by private agreement with highly rated financial institutions specialised in this type of operation.

In principle, the aggregate of the commitments relating to futures contracts, options and swap transactions on interest rates may not exceed the aggregate estimated market value of the assets to be hedged and held by the relevant Sub-Fund in the currency corresponding to those contracts.

### **2.3      *Transactions made for a purpose other than hedging.***

Besides option contracts on transferable securities and contracts on currencies, a Sub-Fund may, for a purpose other than hedging, purchase and sell futures contracts and options on any kind of financial instruments provided that the aggregate commitments in connection with such purchase and sale transactions together with the amount of the commitments relating to the writing of call and put options on transferable securities does not exceed at any time the value of the net assets of the relevant Sub-Fund.

The writing of call options on transferable securities for which the relevant Sub-Fund has adequate coverage are not considered for the calculation of the aggregate amount of the commitments referred to above.

In this context, the concept of the commitments relating to transactions other than options on transferable securities is defined as follows:

- the commitment arising from futures contracts is deemed equal to the value of the underlying net positions payable on those contracts which relate to identical financial instruments (after setting off all sale positions against purchase positions), without taking into account the respective maturity dates and
- the commitment deriving from options purchased and written is equal to the aggregate of the exercise (striking) prices of net uncovered sales positions which relate to single underlying assets without taking into account respective maturity dates.

The aggregate amount of premiums paid for the acquisition of call and put options outstanding which are referred to herein, may not, together with the aggregate of the premiums paid for the acquisition of call and put options on transferable securities mentioned in heading 1.1. above, exceed 15 per cent of the net assets of the relevant Sub-Fund.

With respect to options referred to in the foregoing restrictions, the Fund, on behalf of each Sub-Fund, may enter into OTC option transactions with first class financial institutions that specialise in this type of transaction.

## **3            FINANCIAL TECHNIQUES AND INSTRUMENTS**

### **General principle**

The Fund must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it must employ a process for accurate and independent assessment of the value of OTC derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

The Fund may employ securities financing transactions (the “SFTs”) as described in section “SFTs and TRS” hereunder and derivative instruments relating to transferable securities and money market instruments amongst others for hedging purposes, efficient portfolio management, duration management or other risk management of the portfolio as described here below.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in section “Investment Restrictions”.

However, the overall risk exposure related to financial derivative instruments will not exceed the total net asset value of the Fund.

This means that the global exposure relating to the use of financial derivative instruments may not exceed 100% of the net asset value of the Fund and, therefore, the overall risk exposure of the Fund may not exceed 200% of its net asset value on a permanent basis.

Each sub-fund will employ the commitment or VAR approach to calculate their global exposure accordingly to the risk profile of the Sub-Fund.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.

A Sub-Fund may also invest in OTC financial derivative instruments including but not limited to non-deliverable forwards, total return swaps, interest rate swaps, currency swaps, swaptions, credit default swaps, and credit linked note for either investment or for hedging purposes.

**In doing so, the Sub-Fund shall comply with applicable restrictions and in particular with ESMA guidelines on exchange traded funds ("ETFs") and other UCITS issues as described in CSSF circular 14/592 and with EU Regulation 2015/2365 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("SFTR") and CSSF Circulars CSSF 08/356, 11/512 CSSF 14/592.**

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of Directive 2009/65/EC.

In no case the use of financial derivatives instruments or other financial techniques and financial instruments may lead the Fund to diverge from its investment objectives as expressed in the Prospectus.

## **SFTs and TRS**

### **General provisions related to SFTs and TRS**

The Fund will make use of the following SFTs:

- **"securities lending" or "securities borrowing"** means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;
- **"repurchase agreement transaction"** means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognized exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;
- **"buy-sell back transaction" or "sell-buy back transaction"** means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities, or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy- sell back transaction or sell-buy back transaction not being governed by a repurchase

agreement or by a reverse- repurchase agreement within the meaning of a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognized exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;

The Fund may enter into credit derivatives contracts. Credit derivatives are transactions which are designed to isolate and transfer the credit risk associated with a third party (the reference entity) or a basket/index of reference entities. Such credit default products will typically be divided into two categories, namely "funded" and "unfunded", depending on whether or not the credit protection seller makes an initial principal payment in respect of the reference asset.

**There are many ways in which this can be done, which essentially involve four types of transaction.**

**The first type**, credit default products, consists of transactions under which the parties' obligations depend on whether a "credit event" has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. In entering into these credit default products, the Issuer may be a credit protection buyer or a credit protection seller.

**The second type consists of the TRS**, which means total return swap, i.e., a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

When entering into a TRS arrangements, which for sake of clarity, also need to comply with the provisions applicable to TRS under the SFTR, or investing in other derivative financial instruments having similar characteristics to TRS, the Fund must respect the limits of diversification referred to in Articles 43, 44, 45, 46 and 48 of the Law of 2010.

Likewise, in accordance with Article 42 (3) of the Law of 2010 and Article 48 (5) of CSSF Regulation 10-4, the Fund must ensure that the underlying exposures of the TRS (respectively other similar financial instrument) are taken into account in the calculation of the investment limits laid down in Article 43 of the Law of 2010.

The Management Company may not enter into swap transactions unless it ensures that the level of its exposure to the swaps is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions.

The counterparties will be leading financial institutions specialized in this type of transaction and subject to prudential supervision.

These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

Combined risk exposure to a single counterparty may not exceed 10% of the respective Sub-Fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the Law of 2010 or 5% of its assets in any other cases.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The costs for such rebalancing are estimated to an average of 4bps.

The TRS and other derivative financial instruments that display the same characteristics shall confer to the Fund a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual

insolvency risk of the counterparty may make it impossible for the payments envisioned to be received.

The total commitment arising from total return swap transactions of a particular Sub-Fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of total return swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each Sub-Fund exceed at any time the Net Asset Value of such Sub-Fund.

The total return swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

Typically investments in total return swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

**The third type**, credit spread derivatives, are credit protection transactions under which the payments may be made by either a credit spread or protection buyer or seller depending on the relative credit standings of two or more reference assets, measuring the market value of a particular asset against the market value of another asset, one of which typically being of "benchmark" quality, i.e. of a highly creditworthy obligor, such as a sovereign entity.

**The fourth type**, credit spread options, are credit derivatives designed to hedge against or take advantage of changes in credit spreads under which a reference credit instrument or index is selected and the strike spread, exercise date(s) and maturity date are set. The pay-off is based on whether the actual spot spread of the reference credit instrument or index as at the option exercise date is greater or less than the strike spread. The transaction may be either based on changes in a credit spread of a reference credit instrument or index against a market benchmark (e.g. LIBOR or U.S. Treasuries) or changes in the relative spread between two credit instruments or indices or a combination thereof.

All credit derivative risks are monitored and included at their full underlying value (including the underlying assets in inventory and the associated loan as a liability) for the purpose of maintaining compliance with investment restrictions.

Furthermore, the Fund may, for efficient portfolio management purposes, exclusively resort to securities lending and borrowing and repurchase agreement transactions, provided that the rules described here below are complied with.

The Fund and any of its Sub-funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes.

Any use of SFTs for investment purposes will be in line with the risk profile and risk diversification rules applicable to the Fund and any of its Sub-Funds.

The maximum and expected proportion (i) of assets that may be subject to SFT and TRS and (ii) for each type of assets that are subject to TRS or SFT will be set out for each Sub-fund in the relevant Special Section.

If a Sub-fund intends to make use of SFT and TRS, the relevant Special Section will include the disclosure requirements of the SFTR.

The assets that may be subject to SFTs and TRS are limited to:

- short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- bonds issued or guaranteed by a Member State of the OECD or by their local public authorities; or by supranational institutions and undertakings with EU, regional or world-wide scope;

- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity;
- shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

**The maximum proportion and the expected proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is disclosed on the respective Sub Fund's level.**

The counterparties to the SFTs and TRS will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and minimum credit rating.

The minimum rating of the counterparties to the SFTs and TRS used will be BBB+ according to S&P rating or equivalent.

The Fund will therefore only enter into SFTs and TRS with such financial Counterparties defined in Art 3 of the **REGULATION (EU) 2015/2365 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012**. Further such financial counterparties have to be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company, and who are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD.

The Fund will collateralize its SFTs and TRS pursuant to the provisions set forth hereunder in section "Collateral Management and Policy".

The risks linked to the use of SFTs and TRS as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in section "Risk Factors".

**The assets of a Sub-Fund that are subject to SFTs and TRS, and any collateral received, are held by the Depositary.**

Where there is a title transfer, the collateral received must be held by the Depositary. The Depositary may delegate the custody of the collateral to a sub-depositary but it will retain overall responsibility for the custody of the collateral. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

The Depositary will further ensure, in accordance with the requirements of the UCITS Directive that the assets of the Fund held in custody by the Depositary shall not be reused by the Depositary or by any third party to whom the custody function has been delegated for their own account.

The Fund's assets may be reused for the account of the Fund where:

- a) the reuse of the assets is executed for the account of the Fund; b) the Depositary is carrying out the instructions of the Management Company;
- c) the reuse is for the benefit of the Fund and in the interest of the shareholders; and
- d) the transaction is covered by high quality and liquid collateral received by the Fund under a title transfer arrangement with a market value at all times at least equivalent to the market value of the reused assets plus a premium.

**Policy on sharing of return generated by SFTs and TRS** All revenues arising from SFTs and TRS, net of direct and indirect operational costs and fees, will be returned to the Company. In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with TRS and SFTs as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the



Company through the use of such techniques and transactions. Information on the identity of the entities to which such costs and fees are paid will also be available in the annual report of the Company.

These parties are not related parties to the Investment Manager or the Management Company.

### **Securities Lending and Borrowing**

The Fund in order to achieve a positive return in absolute terms may enter into securities lending transactions and borrowing transaction provided that they comply with the SFTR and the provisions set forth in CSSF's Circular 08/356, CSSF's Circular 14/592 and ESMA Guidelines 2014/937 concerning the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments, as amended from time to time, as follows:

- i. The Fund may only lend or borrow securities through a standardized system organized by a recognized clearing institution or through a first class financial institution specializing in this type of transaction approved by the board of directors of the Management Company. In all cases, the counterparty to the securities lending or borrowing agreements must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement. If the Fund lends its securities to entities that are linked to the Fund by common management or control, specific attention has to be paid to the conflicts of interest which may result therefrom.
- ii. As part of lending transactions, the Fund must in principle receive an appropriate collateral, the value of which at the conclusion of the contract must be at least equal to the global valuation of the securities lent. At maturity of the securities lending transaction, the appropriate collateral will be remitted simultaneously or subsequently to the restitution of the securities lent.
- iii. All assets received by the Fund in the context of efficient portfolio management techniques should be considered as collateral. The collateral which must comply with the conditions set forth below under section "Collateral Management and Policy".
- iv. In case of a standardized securities lending system organized by a recognized clearing institution or in case of a lending system organized by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialized in this type of transactions, securities lent may be transferred before the receipt of the guarantee if the intermediary in question assures the proper completion of the transaction. Such intermediary may, instead of the borrower, provide to the Fund a guarantee which the value at conclusion of the contract must be at least equal to the total value of the securities lent.
- v. The Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardize the management of Fund's assets in accordance with its investment policy.
- vi. With respect to securities lending, the Fund will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least the total value of the securities lent (interest, dividends and other potential rights included) as further described hereunder in section "Collateral Management and Policy".
- vii. Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund. Each Sub-Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depositary fails to make delivery; and (d) as

a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises its right to repurchase these securities, to the extent such securities have been previously sold by the relevant Sub-Funds.

- viii. The Fund ensures that it is able at any time to recall any security that has been lent or terminate any securities lending transaction into which it has entered; and

**Pharus Management Lux S.A., as Management Company of the Fund, does not act as securities lending agent.** If Pharus Management Lux S.A. takes over this function and activity, the Prospectus will be updated accordingly.

The Fund's annual report will provide details on the depositary of the Fund, provided they receive direct and indirect operational costs and fees.

### **Repurchase Agreement Transactions**

The Fund may on an ancillary basis, in order to achieve a positive return in absolute terms may enter into repurchase agreement transactions, which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The Fund can act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

- i. The Fund may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company.
- ii. At the maturity of the contract, the Fund must ensure that it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution of the Fund. The Fund must take care to ensure that the volume of the repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligation towards shareholders.
- iii. The Fund must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the Net Asset Value of the relevant Sub-Funds.
- iv. The Fund must further ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
- v. Repurchase agreement and reverse repurchase agreements will generally be collateralized as further described hereunder in section "Collateral Management and Policy", at any time during the lifetime of the agreement, at least their notional amount.
- vi. The securities purchased with a repurchase option or through a reverse repurchase agreement transaction must be in accordance with the Sub-Fund investment policy and must, together with the other securities that it holds in its portfolio, globally comply with its investment restrictions.

Fixed- term repurchase and reverse repurchase agreements that do not exceed seven (7) days are to be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

### **Disclosure to Investors**

In connection with the use of techniques and instruments the Fund, will, in its financial reports, disclose the following information:

- (i) the exposure obtained through efficient portfolio management techniques;
- (ii) the identity of the counterparty(ies) to these efficient portfolio management techniques;
- (iii) the type and amount of collateral received by the UCITS to reduce counterparty exposure;
- (iv) the use of TRS and SFTs pursuant to the SFTR.
- (v) the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

### **Collateral Management and Policy**

As security for any SFTs and OTC financial derivatives transactions, the relevant Sub-Fund will obtain collateral, under the form of bonds (bonds issued or guaranteed by a Member State of the OECD or by their local public authorities; or by supranational institutions and undertakings with EU, regional or world-wide scope) and cash, covering at least the market value of the financial instruments object of SFTs and OTC financial derivatives transactions.

#### **Collateral received must at all times meet the following criteria:**

(a) Liquidity: Collateral must be sufficiently liquid in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.

(b) Valuation: Collateral must be capable of being valued on at least a daily basis and must be marked to market daily, it being understood that the Fund does not intend to make use of daily variation margins.

(c) Issuer credit quality: The Fund will ordinarily only accept very high quality collateral.

(d) Safe-keeping: Collateral must be transferred to the Depositary or its agent.

(e) Enforceable: Collateral must be immediately available to the Fund without recourse to the counterparty, in the event of a default by that entity.

(f) Non-Cash collateral

- (i) cannot be sold, pledged or re-invested;
- (ii) must be issued by an entity independent of the counterparty; and
- (iii) must be diversified to avoid concentration risk in one issue, sector or country.

(g) The maturity of the non-cash collateral shall be a maximum of 5 years.

(h) Cash Collateral can only be:

placed on deposit with entities prescribed in Article 41(f) of the Law;

- (i) invested in high-quality government bonds;
- (ii) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;
- (iii) invested in short-term money market funds as defined in ESMA's Guidelines on a Common Definition of European Money Market Funds. Each Sub-Fund may reinvest cash which it receives as collateral in connection with the use of techniques and instruments for efficient portfolio management, pursuant to the provisions of the applicable laws and regulations, including CSSF Circular 08/356, as amended by CSSF Circular 11/512 and the ESMA Guidelines.

Re-invested cash collateral will expose the Sub-Fund to certain risks such as foreign exchange risk, the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash

collateral.

Each Sub-Fund must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Sub-Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities. During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged.

Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this subparagraph, a UCITS may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value.

UCITS that intend to be fully collateralized in securities issued or guaranteed by a Member State should disclose this fact in the prospectus of the UCITS. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.

#### **Haircut Policy**

The Fund has set up, in accordance with the Circular 14/592, a clear haircut policy adapted for each class of assets received as collateral mentioned above. Such policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy.

When entering into securities lending and borrowing transactions, each Sub-Fund must receive, in principle, a guarantee the value of which is, during the lifetime of the lending agreement, at least equivalent to 105% of the global valuation (interests, dividends and other possible rights included) of the securities lent, depending on the degree of risk that the market value of the assets included in the guarantee may fall:

- Government bonds with maturity up to 1 year: Haircut between 0 and 2%
- Government bonds with maturity of more than 1 year: Haircut between 0% and 5%
- Corporate bonds: Haircut between 6% and 10%
- Cash: 0%

When entering into repurchase or reverse repurchase transactions, each Sub-Fund will obtain the following collateral covering at least the market value of the financial instrument object of the transaction:

- Government bonds with maturity up to 1 year: Haircut between 0 and 5%
- Government bonds with maturity of more than 1 year: Haircut between 0 and 5%
- Corporate bonds: Haircut between 6% and 10%
- Cash: 0%

When entering into OTC transaction each Sub-Fund must receive or pay a guarantee managed by the Credit Support Annex (CSA) to the ISDA in place with each counterparty and it will obtain the following collateral covering at least the market value of the financial instrument object of the OTC transaction:

- Cash: 0%
- Government bonds with maturity up to 1 year: Haircut between 0 and 2%

- Government bonds with maturity of more than 1 year: Haircut between 0 and 5%

Any haircuts applicable to collateral are agreed conservatively with each OTC financial derivative counterparty on case by case basis. They will vary according to the terms of each collateral agreement negotiated and prevailing market practice and conditions. Collateral received or paid by the Fund shall predominantly be limited to cash and government bonds according to the CSA.

All assets received in the context of Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques in accordance with the Circular 14/592 will be considered as collateral and will comply with the criteria set up above.

All collateral used to reduce counterparty risk exposure will comply with the following criteria at all times:

- a) for all the sub-funds receiving collateral for at least 30% of their assets, the Fund will set up, in accordance with the Circular 14/592, an appropriate stress testing policy to ensure regular stress tests under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral.
- b) the Fund must proceed on a daily basis to the valuation of the guarantee received or paid, using available market prices and taking into account appropriate discounts which will be determined in accordance with the CSA for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets.

### **Currency Hedging**

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Fund may enter into transactions the object of which is the purchase or the sale of forward foreign exchange contracts, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currencies forward or the exchange of currencies on a mutual agreement basis provided that these transactions be made either on exchanges or over-the-counter with first class financial institutions specializing in these types of transactions and being participants of the over-the counter markets.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency, including a currency bearing a substantial relation to the value of the reference currency (i.e. currency of denomination) of the relevant Sub-Fund -known as "hedging by proxy"- may not exceed the total valuation of the assets and liabilities held in such currency nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

## **T. GENERAL INFORMATION RELATING TO SUSTAINABILITY RISKS INTEGRATION.**

### **1 EU Regulation 2019/2088 (SFDR)**

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Sub-Funds are required to disclose the manner in which sustainability risks within the meaning of SFDR are integrated into the investment decision and the results of the assessment of the likely impacts of sustainability risks on the returns of the Sub-Funds.

Unless, differently stated in the relevant appendices related to Sub-Funds particulars, the Management Company and each of the Investment Managers/Investment Advisors of the Sub funds have implemented sustainability risks of the Sub funds into their investment decisions as set out in this section.

For the purposes of this section a sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

The Fund recognizes that various sustainability risks can threaten the investments at individual asset level and portfolio level. These sustainability risks may include climate change transition and physical risks, natural resources depletion, waste intensity, labor retention, turnover and unrest, supply chain disruption, corruption and fraud and reputational concerns associated with human rights violations.

The Investment Manager is responsible for the incorporation of materially relevant sustainability risks into due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring alongside with other material risk factors. To do this, the Investment Manager leverages the following information and resources:

- A) Target companies disclosed information (which may include a company's quarterly financials, earnings calls, general company reporting and / or disclosures, including sustainability-related disclosures);
- B) publicly available data (such as news reports or industry data); and
- C) Third-party research and data.

## **2 Sustainability risks as part of the investment process**

Additionally, the Investment Manager conducts top-down sustainability investment risk analysis of all portfolios. This includes exposure to sustainability risks (using third party ratings and data), controversial business exposures, compliance with UN Global Compact, and the potential impact of different climate change and transition risk scenarios. Furthermore, as needed and requested, the risk team collaborates with the investment teams to conduct analyses on the sustainability risk on selected portfolio themes and companies.

The Fund also recognizes that the universe of relevant sustainability risks will grow and evolve over time. The materiality of such risks and financial impacts on an individual asset and on a portfolio as a whole depends on industry, country, asset class, and investment style.

Investors shall note that the assessment of sustainability risk does not mean that the investment manager aims to invest in assets that are more sustainable than peers or even avoid investing in assets that may have public concerns about their sustainability. Such integrated assessment shall consider all other parameters used by the investment manager and it can e.g. be deemed that even a recent event or condition may have been overreacted in its market value. Similarly, a holding in an asset subject to such material negative impact does not mean that the asset would need to be liquidated. Furthermore, it is deemed that sustainability risks will similarly be assessed for investments that are deemed to be sustainable, e.g. a 'green bond' will be subject to similar sustainability risks as a non-green bond even where the other one is deemed to be more sustainable.

### **2.1 Instrument specific considerations**

(i) equity and equity-like instruments such as corporate bonds that are bound to the performance of the company are deemed to be investments that inherently carry highest level of sustainability risks. The market value of an equity instrument will often be affected by environmental, social or governance events or conditions such as natural disasters, global warming, income inequality, anti-consumerism or malicious governance. The Sub funds that invest or may invest heavily in equities will be deemed to have inherently high level of sustainability risks.

(ii) The market value of fixed-rate corporate bonds or other bonds that are not bound to the performance of the company, will inherently carry same or similar sustainability risks. As such instruments are effectively affected by the foreseen solvency of the company, the risks may be somewhat lower than in direct equity instruments and in some cases the more long-term conditions do not affect the solvency as likely as more sudden events do. The Sub funds that invest heavily in corporate bonds will be deemed to have inherently moderate level of sustainability risks.

(iii) Government and other sovereign bonds are subject to similar sustainability risks as equities and corporate bonds. While nations and other sovereign issuers are subject to seemingly sudden events, the underlying conditions are often well-known and understood and already priced-in to the market value of such assets. The Subfunds that invest mostly in government and other sovereign bonds will be deemed to have an inherently low level of sustainability risks.

(iv) currencies, investments in currencies and the currency effect against the base currency of any Sub-fund, regardless of if such risk is hedged or not, shall not be subject to assessment of sustainability risk. The market

value fluctuations of currencies are deemed not to be affected by actions of any specific entity where a materiality threshold could be exceeded by a single event or condition.

(v) investments where the market value is solely bound to commodities are left outside of sustainability risk assessment. While some commodities may inherently be subject to various sustainability risks, it looks likely that the sustainability risks are either effectively priced-in in the market value of a commodity or there is a lack of generally approved sustainability risk metrics.

(vi) Investment decisions in bank deposits and ancillary liquid assets will be subject to an assessment of governance events which is an inherent part of the analysis for such instruments where the market value of the asset is bound only or mostly to a counterparty risk were the counterparty fails to fulfill its usually contractually or otherwise predetermined obligations.

(vii) investments in diversified indices, other UCIs and diversified structured products are generally understood to be instruments where any event or condition in one underlying asset should unlikely have a material impact on the investment due to the diversification. The sustainability risks of such instruments are generally only assessed on a high level e.g. where such instrument has only or mostly underlying assets that would be subject to same conditions or events.

(viii) sustainability risks derived from financial derivative instruments such as futures, forwards, options, swaps etc. will be assessed based on the underlying of such derivative. Investors shall note that for the purposes of this section, the sustainability risks are only assessed from the point of view of material negative impact. This means that material positive impact will not be assessed. Consequently, it means that any derivative instruments (even where not used purely for hedging purposes) that has a negative correlation to the ultimate underlying asset e.g. short selling will not be subject to a risk assessment where due to negative correlation a negative impact on the value of the underlying asset would not create a negative impact on the market value of the asset.

Notwithstanding anything set out above, investments intended for hedging purposes will not be subject to additional assessment of sustainability risks. The purpose of hedging is to fully or partially hedge against existing risks in the portfolio of the Subfund and should generally not add to sustainability-related risks.

## **2.2 Sustainability related data**

The prospective investors shall note that while sustainable finance is among the most important recent themes in the field of investment management globally, and companies around the world have largely adopted different feasible, defensible and verifiable practices in order to create public data and control mechanisms in order to verify such data, the quality and availability of the data may still not be comparable with the general quality of more standardised and traditional financial data that is presented in annual financial statements or other financial reports that comply with any accounting standards the reliability of which has been tried and tested for a longer period of time.

More information about the policies on integration of sustainability risks in the investment decision process and information on adverse sustainability impacts is available on [pharusmanagement.com](http://pharusmanagement.com) (see “sustainability-related product disclosure”).

## APPENDICES RELATING TO THE SUB-FUNDS

### I. PHARUS SICAV – CONSERVATIVE

#### 1. NAME OF THE SUB-FUND

Pharus Sicav – Conservative

#### 2. INVESTMENT OBJECTIVES AND POLICY

The Sub-Fund shall be managed with the view to achieve positive returns whether the overall market is up or down.

The Sub-Fund will mainly invest in a diversified portfolio of debt securities of any kind qualifying as transferable securities, with a Standard & Poor's minimum rating of B or an equivalent rating issued by another rating agency.

The Sub-Fund may invest up to 30% of the Portfolio's net asset value in equities of any kind, including close ended Real Estate Investment Trusts (the "**REITS**") within the meaning of Article 41. (1), a), b), c) and d) of the Law 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008 and/or UCITS and/or other UCIs (including ETFs qualifying as UCITS and/or UCIs), whose main purpose is to invest in asset classes such as equities, including close ended REITS as defined above, debt securities of any kind, government bonds, investment grade bonds, CoCos, Bonds, high yield bonds, convertible bonds, floating rate notes, financial derivatives, contract for difference (the "**CFD**"), credit default swap, total return swap, cash and cash equivalents, money market instruments and UCITS and/or other UCIs which may invest on real estate, without any geographical restriction, eligible in compliance with the amended and updated Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

To reach this objective, the Sub-Fund could also invest in eligible structured products, embedding derivatives or not, including certificates, up to 10 % of its assets. These investments and their underlying will always be compliant with the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

The Sub-Fund may invest up to 15% of the Sub-Fund's net assets in unrated debt securities.

Investment in High Yield Bonds could represent up to 25% of the Sub-Fund's net asset.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may invest up to 20% of its assets in convertible bonds or CoCos Bonds.

The Sub-Fund may invest directly and/or indirectly in Asset Backed Securities (the "**ABS**"), Mortgage Backed Securities (the "**MBS**") and Collateralized Debt Obligations (the "**CDOs**") up to 15% of its assets.



It is expected that the investment in UCITS and/or UCIs may not exceed the 10% of the Net Asset Value of the Sub-Fund.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, contracts for difference (the “CFD”), credit default swap (the “CDS”), and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

Exposure in commodities will be limited to 10% of the Sub-Fund’s assets.

The investments in commodities will be indirect through transferable securities (i.e. ETC) and UCITS and/or other eligible UCIs within the limits of the Art 41.(1) e) of the Law of 2010; without embedded derivative.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager’s Sustainability policy. The investments of the Sub-Fund will notably be restricted to issuers evidencing a sound Sustainability rating and which follow good governance practices. The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

The investment process is aimed to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy, including value-, norm- and/ or business conduct exclusion.

ESG Ratings are defined relying on industry leading data providers.

The exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions (including but not limited to jurisdictions mentioned in United Nations Security Council Sanctions, Tobacco Production, Gambling, banned weapons, coal-based business models or sovereign bonds offered by countries with documented severe human right violations.); and
2. All entities displaying weak ESG ratings.

On top of those exclusions, the Investment Manager applies ESG scores to analyze issuers and to monitor investments.

In general, the identified sustainability risks are not expected to affect the Sub-Fund’s target returns.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund’s annual report.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### **3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

### **5. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix of equities and fixed income instruments. It is also suitable for investors who are comfortable with and understand the risks of investing in the equity market. The investors must be able to accept significant temporary losses; thus the Sub-Fund is suitable for investors who can afford to set aside the capital for at least 5 years.

### **6. REFERENCE CURRENCY**

The reference currency is the Euro.

### **7. MINIMUM INITIAL SUBSCRIPTION AMOUNT**

EUR 5'000 for Share Class A and Class B, exclusive of the Front End Fee referred to in section 10 hereafter.

USD 5'000 for Share Class C, exclusive of the Front End Fee referred to in section 10 hereafter.

CHF 5'000 for Share Class E and Class F, exclusive of the Front End Fee referred to in section 10 hereafter.

## 8. MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares.

EUR 1'000 for Class B Shares (effective until 30.11.2020)

EUR 100'000 for Class B Shares (effective as from 01.12.2020)

USD 1'000 for Class C Shares.

CHF 1'000 for Class E Shares.

CHF 1'000 for Class F Shares.

## 9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 10. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue classes of Shares depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> .
<b>Class C</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in USD. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class C of Shares will be borne directly by the hedged Class C of Shares.
<b>Class E</b>	Opened to all type of investors with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class E of Shares will be borne directly by the hedged Class E of Shares.
<b>Class F</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class F of Shares will be borne directly by the hedged Class F of Shares.
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. The Class Q Shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q shares can only be invested through intermediaries that adhere either directly and indirectly to the ATFund Market..</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p>

	<p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares</p>
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If investors into Classes B and C Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

If investors into Class F Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class E Shares.

## 11. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

As from June 10, 2008, **Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 12. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.5%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	up to <b>1.10 %p.a.</b> of the average net assets value during each quarter for Classes A, E and Q Shares and payable quarterly on arrears.
	up to <b>0.90 %p.a.</b> of the average net assets value during each quarter for Classes B, C and F Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Sub-Fund will pay a performance fee for all share classes, calculated and accrued on each Valuation Date and paid on a yearly basis on the **30th April** of each year (the "year-end").

The Performance Fee is equal to 10% and it is paid only in the case the performance of the Sub-Fund is higher than 0,50% yearly (the "**hurdle rate**").

The Performance Fee will be calculated on the positive difference between the net asset value per share before Performance Fee compared to the previous year-end net asset value per share and the hurdle rate on a pro rata basis (the "**Excess Performance**") multiplied by the number of shares outstanding on each Valuation Date.

**For share classes opened to all investors,** if a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

**For share classes reserved to Institutional Investors,** on each Valuation Day the accrual will be calculated and crystallized to the difference, if positive, between the Excess Performance before deduction of the performance fee being calculated and the highest Excess Performance calculated with reference to any preceding day during the same yearly period.

The financial intermediaries in connection with the distribution and/or placing of the Sub-Fund's shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

### **13. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets of the Portfolio and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for *Institutional Investors* who may benefit from the reduced rate of 0.01% i.e. Classes B, C and F Shares.

## **II. PHARUS SICAV – ALGO FLEX**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Algo Flex

## **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth by investing principally in a diversified portfolio of equities and/or rated or unrated debt securities of any kind including convertible bonds and money markets instruments issued or guaranteed by sovereign, supranational and/or corporate issuers without any geographical restriction including emerging markets and emerging countries.

The Sub-Fund may invest up to 60% of the Sub-Fund's net assets in equities and/or convertible bonds.

Rated debt securities of any kind including money market instruments, can represent 0% to 100% of the Sub-Fund's net asset within the limits of the Law of 2010.

The Sub-Fund will limit the investment in unrated debt securities to 15% of the Sub-Fund's net asset.

Investment in High Yield and/Investment Grade Bond (including but not limited to subordinated and junior debt, Corporate Hybrid and preferred shares), including money market instruments, can represent, alone or in a combination of either one of them, from 0% to 100% of the Sub-Fund's net asset within the limits of the Law of 2010.

Notwithstanding this opportunity, investments in CoCos are limited to max 20% of the Sub-Fund's asset.

The securities in the Sub-Fund will have a minimum average rating of "B-" (excluding not rated) by Standard & Poor's or an equivalent rating issued by another rating agency or determined to be of similar creditworthiness by the Investment Manager of the Sub-Fund.

Investments in distressed or defaulted securities rated by a recognized rating agency below C are not allowed under this Sub-Fund.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

The assets may be denominated in currencies other than the Reference Currency.

The Sub-Fund may also invest up to 10% of its assets in UCITS and/or other UCIs (including "ETFs qualifying as UCITS and/or UCIs") whose purpose is to invest in a flexible way (from 0% to 100%) in a broad range of asset classes such, but non limited to, as equities, debt securities of any kind, government bonds, investment grade bonds, high yield bonds, convertible bonds, floating rate notes, financial derivatives, financial indices, cash and cash equivalents, money market instruments and in UCITS and/or other UCIs which may invest in real estate indices, commodity certificates, commodities indices, and which may have an indirect exposure to commodities and to real estate, without any geographical restriction, eligible in compliance with the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

In order to reach the objective, the Sub-Fund may, in accordance with the investment restrictions of the Fund set forth in section R. INVESTMENT RESTRICTIONS of this Prospectus, purchase or sell put and call options,

financial futures and forward contracts, on financial indices, foreign currencies, government bonds and, in general terms, on transferable securities for hedging and/or investment purposes.

The investments in commodities will be indirect through transferable securities in compliance with the article 41. of the Law of 2010 (i.e. ETC) and UCITS and/or other eligible UCIs in compliance with and within the limits of the article 41. (1) e) of the Law of 2010.

The diversification of the risks will be always respected also at the level of the underlying assets.

Transferable securities giving exposure on not eligible assets are not allowed to embed derivatives.

Any reference to “indices” in the above paragraph has to be made to “Financial Indices” in compliance with article 9. of the Grand-Ducal Regulation of February 8, 2008.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of

the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

### 4. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix both debt securities both equities. It's also suitable for investors who are comfortable with and understand the risks of investing both in the equity and bond market. The investors must be able to accept temporary losses; thus the Sub-Fund is suitable for investors who can, ideally, afford to set aside the capital for at least 3 to 5 years.

### 5. REFERENCE CURRENCY

The reference currency is the Euro.

### 6. MINIMUM INITIAL SUBSCRIPTION AMOUNT

Euro 5'000 for Classes A and B.

### 7. MINIMUM HOLDING AMOUNT

Euro 1'000 for Classes A and B.

### 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the "**Valuation Day**"). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the "**NAV calculation day**").

### 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue classes of Shares depending on the category of the investors targeted:



<b>Class A</b>	Opened to all type of investors.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> .
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to the ATFund Market. Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>

If investors in Class B Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

## 10. INVESTMENT MANAGER

**Safe Capital Investments Ltd** is appointed as Investment Manager of the Sub-Fund.

## 11. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.5%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	up to <b>1.6%</b> p.a. of the average net assets value during each quarter for Classes A and Q Shares and payable quarterly on arrears.
	up to <b>1%</b> p.a. of the average net assets value during each quarter for Class B Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Fund will pay to the Investment Manager for all classes a performance fee ( the “**Performance Fee**”), calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the Performance Fee is higher than any (ABSOLUTE HIGHWATERMARK) previous year-end net asset value per Share. No reset of the HIGHWATERMARK is foreseen.

The financial intermediaries in connection with the distribution and/or placing of the Fund’s Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable

The Performance Fee Shares will be equal to 15% of the difference between the net asset value per Share before Performance Fee and the previous year-end net asset value per Share multiplied by the yearly average number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## **12. TAXE D’ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund’s net asset value at the end of each quarter, except for the Shares reserved for *Institutional Investors* who may benefit from the reduced rate of 0.01% i.e. Class B Shares.

## **13. DIVIDENDS**

No dividend payments will be made.

# **III. PHARUS SICAV- ASIAN NICHES**

## **1. NAME OF THE SUB-FUND**

## 2. INVESTMENT OBJECTIVES AND POLICY

The Sub-Fund's investment objective is to achieve long term capital growth by investing directly and/or indirectly in a diversified portfolio of equities, debt securities of any kind, including high yield bonds, money market instruments, cash and cash equivalents, financial derivatives instruments.

Sub-Fund may invest in equity up to 70% of its assets mainly exposed to Asian Pacific markets, including also Middle-East, Russia and Turkey.

Direct investments in Russian equity market and/or Chinese A-shares are not allowed. Notwithstanding this, the Sub-Fund can invest in American Depositary Receipts (the "ADRs"), Global Depositary Receipts (the "GDRs") and European Depositary Receipt (the "EDRs") which can themselves have Chinese and/or Russian stocks as underlying.

The Sub-Fund may invest in stocks of listed real estate companies, close-ended REITS, considered as transferable securities according to the current regulation.

The investment in ADRs / GDRs / EDR and close ended Real Estate Investment Trusts (the "REITS") within the meaning of Article 41. (1), a), b), c) and d) of the Law of 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008, has no embedded derivatives.

The Sub-Fund may invest up to 20% of its assets in aggregate in convertible bonds and/or CoCos Bonds.

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund. Should the downgrade of one or more securities affect this restriction, the Investment Manager has up to 6 months to rebalance the Sub-Fund's portfolio.

Investment in Asset Backed Securities (the "ABS"), Mortgage Backed Securities (the "MBS") are allowed only indirectly, through UCITS and/or UCIs, including ETFs.

The Sub-Fund may also invest up to 10% of its assets in UCITS and/or other UCIs (including "ETFs qualifying as UCITS and/or UCIs").

The investments in structured financial products embedding derivatives and without embedding derivatives will always be made in compliance with the current regulation.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell forward contracts and/or listed derivatives on foreign currencies for hedging purpose.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

Further it has to be ensured that the entry and management fees (each of these fees) applying to the target UCITS, UCIs shall not exceed 3% (three percent) each of the Sub-Fund's net asset value.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager's Sustainability policy.

The average ESG equity portfolio rating should not be below 60 based on Thomson Reuters or/and Niche Asset Management internal analysis. At least 60% of the equity invested portfolio must have an ESG rating from Thomson Reuters or from internal analysis.

The fund focuses on specific market niches in order to broaden up the investors' choice and so to improve its asset allocation opportunity. In doing so, the Sub-Fund can invest in small and micro capitalization companies, many of them based in Emerging Markets, which could be unable to bear the investment burden of the sustainability report or to not be accustomed to properly invest in sustainability. In these cases, the fund manager aims to engage with the investee in order to help him to better understand the issue and comply with it.

The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy, including value-, norm- and/ or business conduct exclusion.

ESG Ratings are defined relying on Thomson Reuters.

In line with the investment manager - Niche Asset management (NAM) - Sustainable Responsible Investments policy, the Sub-Fund do not invest in companies that are involved in the following business area:

- companies involved in the production, sale or storage of uranium weapons;
- companies involved in the production or sale of anti-personnel mines and cluster bombs, prohibited by the Oslo and Ottawa treaties;
- companies that violate, repeatedly and seriously, one or more of the ten principles of the Global Compact, without credible corrective action.

In addition, NAM implements specific sectoral exclusion policies for controversial industries, if their main business activity is significantly involved (above 30% of revenue):

- weapons;
- tobacco;
- thermal coal;
- oil upstream.

If an issuer business activity in which NAM is invested becomes significantly involved in the above, NAM will sell it within a reasonable timeframe.

In general, the identified sustainability risks are not expected to affect the Sub-Fund's target returns.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund's annual report.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalization of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### **3. SFTR regulation applicable to this Sub Fund**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

### **5. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying mix of equities and bonds with a value and contrarian approach. The investor should be comfortable with a high level of investment risk and understand the risks of investing in the stocks and bonds in emerging markets as well as the higher volatility embedded in a value and contrarian approach. It is suitable for investors who are willing to accept a maximum level of risk and who are willing to accept an investment horizon of 5 years.

### **6. REFERENCE CURRENCY**

The reference currency is the Euro.

### **7. MINIMUM INITIAL SUBSCRIPTION AMOUNT**

EUR 1'000 for Class A Shares  
 GBP 25'000 for Class A-GBP Shares  
 EUR 10'000 for Class B Shares

### **8. MINIMUM HOLDING AMOUNT**

EUR 1'000 for Class A Shares

None for Class A-GBP Shares  
EUR 50'000 for Class B Shares

## 9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 10. CLASSES OF SHARES AVAILABLE

The Sub-Fund issues classes of Shares of four classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors.
<b>Class A-GBP</b>	Opened to all type of investors. Expressed in GBP and not hedged against the EUR.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> .
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The Class Q Shares can be only invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>

If investors in Class B Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

## 11. INVESTMENT MANAGER

Pharus Management Lux S.A. has delegated, under its supervision and responsibility, its investment management duties for the Sub-Fund's assets to **Niche Asset Management LTD** (the “**Investment Manager**”) having its registered address at 17, Lennox Gardens, SW1X 0DB - London (UK) and is authorized and regulated by the UK Financial Conduct Authority (FCA).

As from the launch of this sub-fund, **Niche Asset Management LTD** has been appointed as Investment Manager pursuant to an agreement dated January 2019 for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 12. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3 %</b> of the applicable net asset value per share for class A. None for share class A-GBP and class B.
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<b>Redemption Fee</b>	up to <b>2 %</b> of the applicable net asset value per share for class A. None for share class A-GBP and class B.
<b>Conversion Fee</b>	Not applicable
<b>Global Fee</b>	up to <b>1.50 % p.a.</b> of the applicable net asset value for Class A Shares and payable quarterly on arrears.
	Up to <b>0.50% p.a.</b> of the applicable net asset value for Class A-GBP Shares and payable quarterly on arrears.
	up to <b>0.60 % p.a.</b> of the applicable net asset value for Class B Shares and payable quarterly on arrears.
	up to <b>0.60 % p.a.</b> of the applicable net asset value for Class Q Shares and payable quarterly on arrears.

### **Performance Fee**

In addition, the Sub-Fund will pay the Investment Manager for all classes a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis, using the mechanism of High Water Mark (the "**HWM**").

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The first HWM will conventionally be the issue price of the Sub-fund and, subsequently, the highest end-of-year Net asset value per share ever achieved before. The condition to calculate the incentive fee is satisfied if the daily Net asset value per share before performance fee is higher than the HWM: the fee will be calculated and accrued daily applying the rate of 20% to the percentage difference between the last Net asset value per share before performance fee and the HWM, multiplied by the number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallization).

### **13. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

### **14. DIVIDENDS**

No dividend payments will be made.

### **15. INITIAL QUOTATION**

**Class Q Shares** may be dealt at the initial dealing price of EUR 100 per Share.

## **IV. PHARUS SICAV – ATHESIS TOTAL RETURN**

### **1. NAME OF THE SUB-FUND**

## 2. INVESTMENT OBJECTIVES AND POLICY

The Sub-Fund's investment objective is to obtain medium long-term capital growth by investing in a diversified portfolio of equities including close ended Real Estate Investment Trusts (the “**REITS**”) within the meaning of Article 41. (1), a), b), c) and d) considered as transferable securities according to the Grand-Ducal Regulation of February 8, 2008 and/or debt securities of any kind and/or money markets instruments issued or guaranteed by sovereign, supranational and/or corporate issuers without any geographical restriction and/or indirectly through UCITS and/or UCIs including ETFs qualified as UCITS and/or UCIs, investing primarily in the same asset classes as described above.

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Rated securities must be issued by rated issuers with a Standard & Poor's rating of at least “B-” or an equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund may invest in UCITS and/or other UCIs (including ETFs qualified as UCITS and/or UCIs) whose main purpose is to invest in a flexible way (from 0% to 100%) in a broad range of asset classes such as equities, debt securities of any kind, money market instruments, currencies, financial derivatives instruments, financial indices and UCITS and/or other UCIs which may invest on real estate indices, on commodities certificates, on commodities indices, without any geographical restriction, eligible in compliance with the amended and updated Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008 (the “**Target Funds**”). Invested Target Fund may use over the counter (the “**OTC**”) complex derivative instruments provided that they are contracted with leading financial institutions specialized in this type of transactions.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may invest in stocks of listed real estate companies, close-ended REITS as defined above, considered as transferable securities according to the Grand-Ducal Regulation of February 8, 2008.

The total exposure to equities, including listed real estate companies and/or in close-ended REITS as defined above, financial derivative instruments with the same underlying and/or UCITS/UCIs (including ETFs) and/or certificates which primarily invest in this asset class, will be done up to 70% of the Sub-Fund's assets without any geographical restriction.

The Sub-Fund may invest up to 20 % of its assets in CoCos Bonds.

The total exposure of the Sub-Fund to structured instruments embedding derivatives such as Asset-Backed Securities (the “**ABS**”), Mortgage-Backed Securities (the “**MBS**”), convertible bonds, credit linked notes,



structured bonds, reverse convertible bonds, participation and stock participation paper, warrants, ETC and certificates on financial indices and/or on real estate indices and/or on transferable securities and/or on commodity indices will be limited up to 10% of the Sub-Fund's assets and includes the exposure in UCITS/UCIs and/or ETFs that primarily invest in the structured products above.

It is expected that the total aggregate investments in Emerging markets countries done considering all asset classes permitted by the Prospectus will not exceed 50% of the Sub-Fund's net assets.

The investments in structured instruments embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The Sub-Fund may hold cash and cash equivalents on an ancillary basis.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, swaption, contracts for difference, credit default swap, financial futures and forward contracts on financial indices, eligible commodity indices, foreign currencies and transferable securities for hedging and/or investment purposes.

Within the limits set forth, the Sub-Fund is authorised to use financial techniques and instruments for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and

incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company does not delegate the portfolio management function of the Sub-Fund to any Investment Manager and, as such, it does consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

## 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix of equity and bond markets. It's also suitable for investors who are comfortable with and understand the risks of investing in the equity and bond

markets. The investors must be able to accept significant temporary losses; thus the Sub-Fund is suitable for investors who can afford to set aside the capital for at least 5 years.

## **6. REFERENCE CURRENCY**

The reference currency is Euro.

## **7. MINIMUM SUBSCRIPTION AMOUNT**

EUR 1,000 for Class A Shares

EUR 5,000 for Class B Shares

## **8. MINIMUM HOLDING AMOUNT**

EUR 1,000 for Class A Shares

EUR 5,000 for Class B Shares

## **9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE**

The net asset value per Share is determined on each business day in Luxembourg ( the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## **10. CLASSES OF SHARES AVAILABLE**

The Sub-Fund will issue two classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Opened to Institutional investors

## **11. INVESTMENT MANAGER**

Pharus Management Lux S.A. acts as Management Company of Pharus SICAV and has not delegated the day-to-day investment management activity to a third parties for this Sub-Fund.

## **12. CHARGES AND FEES**

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share A, up to 1% of the applicable net asset value per Share B.
<b>Redemption Fee</b>	None
<b>Conversion Fee</b>	None
<b>Global Fee</b>	up to <b>1.80% p.a.</b> of the applicable net asset value for Classes A Shares and payable quarterly on arrears.
	up to <b>1.50% p.a.</b> of the applicable net asset value for Classes B Shares and payable quarterly on arrears.

**No Performance Fee is paid under this Sub-Fund.**

## **13. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

#### **14. DIVIDENDS**

No dividend payments will be made.

## **V. PHARUS SICAV- AVANTGARDE**

### **1. NAME OF THE SUB-FUND**

PHARUS SICAV – AVANTGARDE

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund will seek to achieve the maximum possible return whilst limiting risk.

To this end, the Sub-fund's assets are invested in the following investments:

- (i) equities and other participation securities and rights of companies worldwide, with a particular focus on companies operating in Europe and the US;
- (ii) fixed and variable rate securities, debt securities and rights and other interest-bearing investments (incl. money market instruments, convertible bonds, bonds with warrants and high yield bonds) in all convertible currencies, issued or guaranteed by issuers worldwide, in particular those based in Europe and the US;
- (iii) sight and notice deposits;
- (iv) units in other UCITS and/or UCIs (targets funds) as defined under Art 41 I e of the Law of 2010 which, according to their investment policy, invest the majority of their assets in investments corresponding to (i), (ii) and (iii) (up to 10% of the assets of the Sub-Fund);
- (v) other eligible assets as described in the above section R.I under the header “Investment Restrictions / Investments in eligible assets” of General Part of this Prospectus (up to 10% of the assets of the Sub-fund).

Investments described in (iv) and (v) shall not together account for more than 10% of the assets of the Sub-Fund. With reference to (ii), Investment in high yield bonds is allowed up to 5% of the assets of the Sub-Fund.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

Concerning the Sub-Fund's investment in fixed and variable rate securities, debt securities and rights and other interest-bearing investments (incl. money market instruments and convertible bonds and bonds with warrants) in all convertible currencies, issued or guaranteed by issuers worldwide, in particular those based in Europe and the US it should be noted as follows:

The Sub-Fund will invest in investment grade instruments, which will generally have an average credit quality of investment grade, as measured by an independent rating agency such as Standard & Poor's or an equivalent rating issued by another rating agency.

Investment grade means with a rating of BBB- or above from Standard & Poor's or equivalent rating from Moody's or Fitch, provided that in the case of securities, if the security is not rated at the time of acquisition, the rating of the relevant issuer or the Sovereign shall apply.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

If a security or, in the case of currencies, the Sovereign issuer, is rated by two or more rating agencies, the highest rating will apply.

If a security or, in the case of currencies, the Sovereign issuer, is downgraded after the date of acquisition by the Sub-Fund then the Investment Manager has discretion as to whether to hold the security or currency.

Investments in Emerging Markets and Countries can make out up to 30 % of the Sub-Funds portfolio.

In this respect:

- Up to 10% of the investments in Emerging Markets can be done indirectly as foreseen under the investment policy of this Sub-Fund.
- Up to 20% of the investments in Emerging Markets can be done as direct investments in these emerging markets without any geographical restriction. Notwithstanding this no direct investments in Russia and China are envisaged.

The Sub-Fund can make extensive use of derivative financial instruments (the “**Derivatives**”), either for hedging and/or investment purpose, or for the purposes of active investment in securities and money market instruments investment purpose and for currency hedging. The range of potential derivatives includes both listed and OTC instruments, in particular call and put options, futures, forwards, interest rate swaps and contracts for difference on securities, interest rates and currencies and on other derivative financial instruments and financial indices.

The selection or weighting of individual securities and types of investments and currencies and the orientation of the actual investment strategy is made on an opportunistic basis, i.e. depending on the prevailing market assessment, the focus of investments may vary significantly. Short-term price fluctuations cannot therefore be excluded.

Investment in CoCos Bonds are not envisaged.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## 4. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable both for investors with no detailed knowledge of the capital markets and for experienced investors who wish to participate in developments in the capital markets in order to follow their specific investments aims. Investors must expect fluctuations in value, which may lead to high losses on a temporary basis. The Sub-fund may be used as a supplementary investment in a broadly diversified portfolio.

## 5. REFERENCE CURRENCY

The reference currency is Euro.

## 6. MINIMUM INITIAL SUBSCRIPTION / HOLDING AMOUNT

EUR 10'000 for Class A Shares  
EUR 1'000 for Class B Shares  
EUR 50'000 for Class C Shares  
EUR 100'000 for Class Class I Shares  
USD 1'000 for Class E Shares  
USD 100'000 for Class F Shares

## 7. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).  
The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 8. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue seven Share Classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors. Expressed in Accumulation EUR Share Class.
<b>Class B</b>	Opened to all type of investors. Expressed in EUR Accumulation Share Class.
<b>Class C</b>	Reserved to Institutional investors. Expressed in EUR Accumulation Share Class.
<b>Class I</b>	Reserved to Institutional investors. Expressed in EUR Accumulation Share Class
<b>Class E</b>	Opened to all type of investors. Expressed in USD and is hedged against the EUR. Accumulating Share Class
<b>Class F</b>	Opened to Institutional Investors. Expressed in USD and is hedged against the EUR Accumulating Share Class

## 9. INVESTMENT MANAGER

**Alpha Investor Services Management S.A.** is a company authorized to act as Investment Manager under the prudential supervision of the Commission de Surveillance du Secteur Financier (the “**CSSF**”) has been appointed as Investment Manager for this Sub-Fund.

Pharus Management Lux S.A. has delegated, under its supervision and responsibility, its investment management duties for the Sub-Fund’s assets to **Alpha Investor Services Management S.A.** (the “**Investment Manager**”) having its registered address at 21 Rue Aldringen L-1118 Luxembourg, Grand Duchy of Luxembourg.

As from the 7 February 2019, **Alpha Investor Services Management S.A.** has been appointed as Investment Manager pursuant to an agreement dated January 2019 for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 10. CHARGES AND FEES



<b>Front End Fee</b>	Up to <b>3 %</b> of the applicable net asset value per Share for Share Classes B and C
<b>Redemption Fee</b>	Up to <b>3 %</b> of the applicable net asset value per Share for Share Classes B and C.
<b>Conversion Fee</b>	Up to <b>1 %</b> of the applicable net asset value per Share for Share Classes B and C.
<b>Global Fee</b>	Up to <b>1.95%</b> p.a. of the applicable net asset value per Share for Share Class A and E Up to <b>2.05%</b> p.a. of the applicable net asset value per Share for Share Class B Up to <b>1.85 %</b> p.a. of the applicable net asset value per Share class C. Up to <b>1.05 %</b> p.a. of the applicable net asset value per Share class I and F
<b>Shareholders Servicing Fee</b>	Up to <b>0.50%</b> p.a. of the applicable net asset value for all shares classes and payable quarterly on arrears.

### Performance Fee

In addition, the Fund will pay to the Investment Manager for all classes a performance fees (the “**Performance Fee**”), calculated and accrued on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the Performance Fee is higher than any previous year-end net asset value per Share (ABSOLUTE HIGHWATERMARK). No reset of the HIGHWATERMARK is foreseen.

The financial intermediaries in connection with the distribution and/or placing of the Fund’s Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 10% of the difference between the net asset value per Share before Performance Fee and the highest previous year-end net asset value per Share multiplied by the number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

### 11. TAXE D’ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund ’s net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class I Shares.

### 12. DIVIDENDS

No dividend payments will be made

### 13. GLOBAL RISK EXPOSURE

By way of derogation to the Section III, Chapter R Investment Restrictions, the Sub-Fund employs an “Absolute VAR approach” method to calculate and monitor the global exposure, based on a market standard model with the following features:

- One-tailed confidence interval of 99%;
- Holding period of 1 month (20 business days);
- Observation period of at least 1 year (250 days);
- Daily update of the data;
- Daily calculation.

The VaR (Value-at-risk) is a risk measure that can be defined as the estimated maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

The maximum level of Value at risk of the Sub-Fund is set at 20%.

The level of leverage of the Sub-Fund is expected to amount up to 500% of the Sub-Fund’s net asset value.

The level of leverage may vary over time. Leverage should be calculated as a sum of notionals of the derivatives used. Leverage is not an additional investment limit and may vary over time. A higher leverage can be reached under various circumstances for example higher market volatility. Investors must be aware of the possibility of higher leverages levels under certain circumstances.

#### **14. INITIAL SUBSCRIPTIONS**

The launch date of the share class E will be decided by the Board of Directors of the Fund.

## **VI. PHARUS SICAV – BEST REGULATED COMPANIES**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Best Regulated Companies

### **2. INVESTMENT OBJECTIVES AND POLICY**

#### **Investment objective and policy effective until 30.11.2020**

The Sub-Fund's investment objective is to achieve long term capital growth by investing in equities without any geographical restriction that have a willingness and ability to pay dividend over time.

The Sub Fund may invest directly and/or indirectly up to 20% of its assets in closed-ended Real Estate Investment Trusts (**REITS**) within the meaning of Article 41. (1), a), b), c) and d) of the Law 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008. The investment has no embedded derivatives.

It is expected that the investment in UCITS and/or UCIs (including ETFs qualifying as UCITS and/or UCIs) may not exceed the 10% of the Net Asset Value of the Sub-Fund.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the 2010 Law.

Further it has to be ensured that the entry and management fees (each of these fees) applying to the target UCITS, UCIs shall not exceed 3% (three percent).

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, contracts for difference (**CFD**) and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

#### **Investment objective and policy effective as from 01.12.2020**

The Sub-Fund's investment objective is to achieve long term capital growth by investing in equities mainly specialized in infrastructures within regulated sectors such as electricity transmission and distribution, water and gas transport, gas storage and re-gasification, without any geographical restriction and that are considered ESG sustainable.

The eligible asset universe is determined according to the scoring of each single security provided by external independent providers of ESG dataset, used by the asset management team.

According to the securities scoring, the ESG portfolio rating will be defined and certified by external independent ESG evaluators at least on a quarterly basis. At the date of the current prospectus the certified average ESG portfolio rating is AA. The costs of such certifications are charged to the Sub-Fund.

The portfolio and securities analysis is based on inclusion and exclusion criteria.

The 60% of scoring weight is determined by the Environment factors. In particular, will be considered eligible the companies, that limit percentage of revenues coming from business with high carbon emissions, water stress, impact on the climate, toxic emissions and waste, in favour of companies offering and developing renewable energies.

The remaining 40% of the scoring is determined by the Social and Governance factors, such as, but not limited to, treatment of employees, board structure, product safety, business ethics.

On the other hand, Exclusion Criteria are:

- involvement in controversial weapons, such as anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus;
- tobacco producers;
- disrespect for the principles of the United Nations Global Pact (UNGP);
- companies operating in the adult entertainment sector;
- companies operating in the gambling sector.

The Sub Fund may invest directly and/or indirectly up to 20% of its assets in closed-ended Real Estate Investment Trusts (the “**REITS**”) within the meaning of Article 41. (1), a), b), c) and d) of the Law of 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008. The investment has no embedded derivatives.

It is expected that the investment in UCITS and/or UCIs (including ETFs qualifying as UCITS and/or UCIs) may not exceed the 10% of the Net Asset Value of the Sub-Fund.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

Further it has to be ensured that the entry and management fees (each of these fees) applying to the target UCITS, UCIs shall not exceed 3% (three percent).

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, contracts for difference (the “**CFD**”) and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager’s Sustainability policy. The investments of the Sub-Fund will notably be restricted to issuers evidencing a sound Sustainability rating and which follow good governance practices. The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

The investment process is aimed to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy, including value-, norm- and/ or business conduct exclusion.

ESG Ratings are defined relying on industry leading data providers.

The exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions (including but not limited to jurisdictions mentioned in United Nations Security Council Sanctions, Tobacco Production, Gambling, banned weapons, coal-based business models or sovereign bonds offered by countries with documented severe human right violations.); and
2. All entities displaying weak ESG ratings.

On top of those exclusions, the Investment Manager applies ESG scores to analyze issuers and to monitor investments.

In general, the identified sustainability risks are not expected to affect the Sub-Fund's target returns.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund's annual report.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the "RTS"), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

**Potential subscribers are advised that this Sub-Fund falls within the scope of the Savings Tax Directive 2003/48/CE.**

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
Margin lending transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
Margin lending transaction	0%
TRS	0%

## 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

## 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix of equity. It's also suitable for investors who are comfortable with and understand the risks of investing in the equity market. The investors must be able to accept significant temporary losses; thus the Sub-Fund is suitable for investors who can afford to set aside the capital for at least 5 years.

## 6 REFERENCE CURRENCY

The reference currency is Euro.

## 7. MINIMUM INITIAL SUBSCRIPTION / MINIMUM HOLDING AMOUNT

EUR 1'000 for Class AD Shares  
EUR 100'000 for Class BD Shares  
USD 100'000 for Class BHD - USD Shares  
AUD 1'000 for Class AH – AUD Shares  
CHF 1'000 for Class AHD - CHF Shares  
CHF 100'000 for Class BHD – CHF Shares  
EUR 1'000 for Class AShares  
EUR 100'000 for Class B Shares

## 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund issues classes of Shares depending on the category of the investors targeted:

Class AD	Opened to all type of investors.
Class BD	Reserved to <i>Institutional Investors</i> with NAV expressed in EUR.
Class BHD - USD	Reserved to <i>Institutional Investors</i> with NAV expressed in USD. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class C of Shares will be borne directly by the hedged Class C of Shares.
Class AH – AUD	Open to all type of investors with NAV expressed in AUD. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class AH-AUD of Shares will be borne directly by the hedged Class AH – AUD of Shares.
Class AHD – CHF	Opened to all type of investors with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class E of Shares will be borne directly by the hedged Class E of Shares.
Class BHD - CHF	Reserved to <i>Institutional Investors</i> with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class F of Shares will be borne directly by the hedged Class F of Shares.
Class A	Opened to all type of investors. Accumulation share class.
Class B	Reserved to <i>Institutional Investors</i> . Accumulation share class
Class Q	Opened to all type of investors.

	<p>The Class Q Shares are traded in ATFund, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q Shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>
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If investors in Class BD, and C Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class AD Shares.

If investors into Class BHD-CHF Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class AHD - CHF Shares.

If investors into Class B Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

## 10. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

**Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 11. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.50%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	<p>up to <b>2.00% p.a.</b> of the average net assets value during each quarter for Classes AD, AUD--CHF, A, AH - AUD and Q Shares and payable quarterly on arrears.</p> <p>up to <b>1.00% p.a.</b> of the average net assets value during each quarter for Classes BD, BHD-USD, BHD-CHF and B Shares and payable quarterly on arrears.</p>

<b>Shareholders Servicing Fee</b>	The Investment Manager may be entitled to a fee of up to <b>0,5 % p.a.</b> on the average value over the quarter of the net assets for the Classes, AD, BD, BHD-USD, AUD-CHF, BHD-CHF, A, B, AH – AUD and Q Shares determined on each Valuation Date and payable quarterly in arrears.
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### **Performance Fee**

In addition, the Sub-Fund will pay a performance fee for all share classes, calculated and accrued on each Valuation Date and paid on a yearly basis on the **31st March** of each year (the “**year-end**”).

The Performance Fee is equal to 5% and it is paid only in the case the performance of the Sub-Fund is higher than 2,00% yearly (the “**hurdle rate**”).

The Performance Fee will be calculated on the positive difference between the net asset value per share before Performance Fee compared to the previous year-end net asset value per share and the hurdle rate on a pro rata basis (the “**Excess Performance**”) multiplied by the number of shares outstanding on each Valuation Date.

**For share classes opened to all investors,** If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

**For share classes reserved to Institutional Investors,** On each Valuation Day the accrual will be calculated and crystallized to the difference - if positive - between the Excess Performance before deduction of the performance fee being calculated and the highest Excess Performance calculated with reference to any preceding day during the same yearly period.

The financial intermediaries in connection with the distribution and/or placing of the Sub-Fund’s shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

## **12. TAXE D’ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund’s net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01% i.e. Class BD, BHD-USD, BHD - CHF and B Shares.

## **13. DIVIDENDS**

Dividend payments will be made for Class AD, BD, BHD-USD, AHD - CHF, BHD - CHF, and Q on June and December of each year after the approval of the Board of Directors.

## **14. INITIAL SUBSCRIPTIONS**

The initial subscription period will be decided by the Board of Directors of the Fund.

## **15. INITIAL QUOTATION**

**Class Q Shares** of the Sub-Fund may be dealt at the initial dealing price of EUR 100 per Share.



## **VII. PHARUS SICAV – MEDICAL INNOVATION**

### **1. NAME OF THE SUB-FUND**

PHARUS SICAV –MEDICAL INNOVATION

### **2. INVESTMENT OBJECTIVES AND POLICY**

This Sub-Fund aims to achieve growth by investing in equities or similar securities issued by biopharmaceutical companies that are at the forefront of innovation in the medical sector. The compartment will invest at least two-thirds of its total assets or wealth in equities issued by companies operating in this sector.

Geographically, the compartment's investment universe is not restricted to a particular area. However, in light of the particularly innovative nature of the pharmaceutical industry in North America and Western Europe, the vast majority of investments will focus on these regions.

This Sub-Fund will hold a diversified portfolio composed of securities issued by listed companies, within the limits allowed by the investment restrictions. These securities may be ordinary or preference shares, and to a lesser extent warrants on transferable securities and options.

The Sub-Fund will not invest in any default or distressed securities.

The Sub-Fund may also invest in bonds (government and corporate bonds).

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Rated securities must be issued by rated issuers with a Standard & Poor's rating of at least B- or an equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

The Sub-Fund may use derivatives to hedge currency exposures.

The compartment may use derivative techniques and instruments for hedging and/or speculative purposes, within the limits specified in the investment restrictions.

The Sub-Fund can invest up to 10% of the Sub-Fund's net assets in UCITS and/or other UCIs, including ETFs qualifying as UCITS and/or UCIs.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions in order to comply with the laws and regulations of the countries where Shareholders are located.

The Sub-Fund is actively managed and has no reference Benchmark.

## **Risk profile of the Sub-Fund**

Investors should be aware that the global exposure of the Sub-Fund relative to the derivatives could reach, but not exceed, the total net assets of the Sub-Fund. This can lead to higher volatility in the value of shares of the Sub-Fund. The Sub-Fund is also exposed to equity market and currency risks.

The list of risk factors does not purport to be a complete explanation of the risks involved in shares of the Sub-Fund. It should be remembered that the net asset value of the Sub-Fund can go down as well as up. An investor may not get back the amount he has invested, in particular if shares are redeemed soon after they have been issued. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources.

The markets in financial derivative instruments can be volatile and the possibility to realise gains, as well as the risk to suffer losses, may be higher than with investments in securities.

## **Risk Management applicable to this Sub-Fund**

The Management Company will use the commitment approach, according to CSSF Circular 11/512 and article 47 of the CSSF Regulation 10/04, for determining the global exposure risk of the Sub-Fund.

Sub-Fund's total commitment to financial derivative instruments is limited to 100% of the Sub-Fund's total net assets, which is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage. The Sub-Fund will make use of financial derivatives instruments in a manner not to materially alter its risk profile over what would be the case if financial derivatives instruments were not used.

The Management Company will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of the Sub-Fund.

### **2.1 Investment Process and Sustainability considerations**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no

guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

## 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable as an investment for private and institutional investors, who wish to invest in equities in the biotechnology sector worldwide and who are willing to bear significant variations in market value and thus have a low aversion to risk;

The Sub-Fund is suitable for investors, who have a long-term investment horizon (at least 5-7 years).

## 6 REFERENCE CURRENCY

The reference currency is Euro.

## 7 MINIMUM INITIAL SUBSCRIPTION AMOUNT DURING THE INITIAL SUBSCRIPTION PERIOD

EUR 1'000'000 for Class B2 Shares  
CHF 50'000 for Class AH-CHF Shares  
CHF 200'000 for Class BH-CHF Shares  
USD 200'000 for Class A2H-USD Shares  
N/A for Class Q Shares

## 8. MINIMUM HOLDING AMOUNT

EUR 100 for Class A Shares  
EUR 100'000 for Class B Shares  
EUR 1'000'000 for Class B2 Shares  
CHF 1'000 for Class AH-CHF Shares  
CHF 100'000 for Class BH-CHF Shares  
USD 1'000 for Class AH-USD Shares  
USD 100'000 for Class A2H-USD Shares  
N/A for Class Q Shares

## 9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “Valuation Day”).  
The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “NAV calculation day”).

## 10. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue six Share Classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors. Expressed in EUR and is not hedged /Accumulating Share Class.
<b>Class B</b>	Opened to Institutional Investors. Expressed in EUR and is not hedged /Accumulating Share Class.
<b>Class B2</b>	Opened to Institutional Investors. Expressed in EUR and is not hedged /Accumulating Share Class.
<b>Class AH-CHF</b>	Opened to all type of Investors. Expressed in CHF and is hedged against the EUR /Accumulating Share Class. ( This share class is currently not launched)
<b>Class BH-CHF</b>	Opened to Institutional Investors. Expressed in CHF and is hedged against the EUR /Accumulating Share Class. ( This share class is currently not launched)
<b>Class AH-USD</b>	Opened to all type of investors. Expressed in USD and is hedged against the EUR /Accumulating Share Class.
<b>Class <u>A2H - USD</u></b>	Opened to Institutional Investors. Expressed in USD and is hedged against the EUR /Accumulating Share Class. ( This share class is currently not launched)
<b>Class Q</b>	Opened to all type of investors. Distribution Share Class.

	<p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the Shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares. ( This share class is currently not launched)</p>
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## 11. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

**Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 12. CHARGES AND FEES

<b>Front End Fee</b>	Up to 3%
<b>Redemption Fee</b>	N/A
<b>Conversion Fee</b>	N/A
<b>Global Fee</b>	<p>Up to <b>2.0%</b> p.a. of the applicable net asset value per Share for Share Class <b>A</b> and payable quarterly on arrears.</p> <p>Up to <b>1.2%</b> p.a. of the applicable net asset value per Share for Share Class <b>B</b> and payable quarterly on arrears.</p> <p>Up to <b>1.8%</b> p.a. for the applicable net asset value per Share for Share Class <b>B2</b> and payable quarterly on arrears.</p>

	<p>Up to <b>2.0%</b> p.a. of the applicable net asset value per Share class <b>AH-CHF</b>. and payable quarterly on arrears.</p> <p>Up to <b>1.2%</b> p.a. of the applicable net asset value per Share class <b>BH-CHF</b>. and payable quarterly on arrears.</p> <p>Up to <b>2.0%</b> p.a. of the applicable net asset value per Share class <b>AH-USD</b>. and payable quarterly on arrears.</p> <p>Up to <b>1.2%</b> p.a. of the applicable net asset value per Share class <b>A2H-USD</b>. and payable quarterly on arrears.</p> <p>Up to <b>1.6%</b> p.a. of the applicable net asset value per Share class <b>Q</b> and payable quarterly on arrears.</p>
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## Performance Fee

In addition, the Sub-Fund will pay a performance fee for all share classes, calculated and accrued on each Valuation Date and paid on a yearly basis on the **31st July** of each year (the “**year-end**”).

The Performance Fee is equal to 20% and it is paid only in the case the performance of the Sub-Fund is higher than 2,00% yearly (the “**hurdle rate**”).

The Performance Fee will be calculated on the positive difference between the net asset value per share before Performance Fee compared to the previous year-end net asset value per share and the hurdle rate on a pro rata basis (the “**Excess Performance**”) multiplied by the number of shares outstanding on each Valuation Date.

**For share classes opened to all investors**, If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

**For share classes reserved to Institutional Investors**, on each Valuation Day the accrual will be calculated and crystallized to the difference - if positive - between the Excess Performance before deduction of the performance fee being calculated and the highest Excess Performance calculated with reference to any preceding day during the same yearly period.

The financial intermediaries in connection with the distribution and/or placing of the Sub-Fund’s shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

No Performance fee will be paid on the B2 Share class.

## 13. TAXE D’ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund ’s net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B, BH- CHF and A2H - USD Shares.

## 14. DIVIDENDS

Dividend payments will not be made

## 15. INITIAL QUOTATION

Upon launch, Class Q Shares of the Sub-Fund may be dealt at the initial dealing price of EUR 100 per Share.

## **VIII. PHARUS SICAV - BOND OPPORTUNITIES**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav - Bond Opportunities

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve a positive rate of income by investing principally in rated and unrated fixed income, floating rate, convertible bonds, CoCos Bonds and other debt securities qualifying as transferable securities of corporate and sovereign issuers worldwide, including companies located in emerging markets, and securitised debt.

The Sub-Fund may invest up to 20% of its assets in convertible bonds or CoCos Bonds.

The securities in the Sub-Fund will have a minimum average rating of "B-" (excluding not rated) by Standard & Poor's or an equivalent rating issued by another rating agency or determined to be of similar creditworthiness by the Investment Manager of the Sub-Fund.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund may also invest directly or indirectly in structured instruments embedding derivatives which need to be eligible in order to comply with the Law of 2010 such as Asset-Backed Securities (the "ABS") and Mortgage-Backed Securities (the "MBS"), and Collateralized Debt Obligation (the "CDO") up to 15% of the Sub-Fund's assets.

The investments in structured instruments embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The Sub-Fund may invest up to 10% of its net assets in UCITS and/or other UCIs (including ETFs qualifying as UCITS and/or UCIs), whose main purpose is to invest in asset classes such as equities, debt securities of any kind, government bonds, investment grade bonds, high yield bonds, convertible bonds, CoCos. bonds, floating rate notes, financial derivatives, Contract For Difference (the "CFD") Credit Default Swap (the "CDS"), total return swap, cash and cash equivalents, money market instruments and UCITS and/or other UCIs which may invest on real estate, without any geographical restriction, eligible in compliance with the amended and updated Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).



The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell financial futures, contract for difference (the “CFD”), credit default swap and forward contracts, on financial indices, foreign currencies for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFDR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

#### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

#### **5. SPECIFIC RISK FACTORS**

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial advisor before investing. These risk factors are not intended to be exhaustive and there may be other risk factors which a potential investor should consider prior to investing in Shares in the Sub-Fund. However, the investments of the Sub-Fund will be subject to market fluctuations and other risks normally associated with any investment and there can be no assurance that the Sub-Fund's investment objectives will be achieved.

Receipt of income from debt securities and the redemption amount received on the maturity of debt securities is subject to the credit risk of the issuer.

A credit re-rating by one or more rating agencies or any adverse publicity or deteriorating investor perception, which may or may not be based on fundamental analysis could decrease the market value and liquidity of the debt security, particularly in a thinly traded market.

Investment in emerging market securities involves special considerations and risks not typically associated with investments in securities of issuers from developed countries, such as currency fluctuations, the risk of investing in countries with smaller capital markets, limited liquidity, higher price volatility, restrictions on foreign investment and higher sovereign credit risk.

Below investment grade securities such as, for example, high yield debt securities, are considered speculative and include securities that are unrated or in default.

#### **6. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek higher income yields than available from traditional income funds which restrict themselves to government and quasi-government issuers. It is also suitable for investors willing to

assume a higher degree of risk in order to maximise their returns, who are comfortable with and understand the risks associated with investments in the public capital markets and financial derivative products and who have an investment horizon of at least three to five years. The Sub-Fund is generally suitable for investors who pursue an aggressive investment strategy.

## 7. REFERENCE CURRENCY

The reference currency is the Euro.

## 8. FRONT END FEE APPLIED DURING THE INITIAL SUBSCRIPTION PERIOD

For the Share class D shall be Euro 1'000 exclusive of the Front End Fee.

## 9. MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares  
 EUR 10'000 for Class B Shares  
 USD 1'000 for Class C Shares  
 EUR 1'000 for Class D Shares  
 CHF 1'000 for Class E Shares  
 CHF 1'000 for Class F Shares

## 10. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 11. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue Shares of three classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> .
<b>Class C</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in USD. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class C of Shares will be borne directly by the hedged Class C of Shares.
<b>Class D</b>	Reserved to <i>Institutional Investors Expressed in EUR</i>
<b>Class E</b>	Opened to all type of investors with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class E of Shares will be borne directly by the hedged Class E of Shares.
<b>Class F</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class F of Shares will be borne directly by the hedged Class F of Shares.
<b>Class Q</b>	Opened to all type of investors.

	<p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument’s settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>
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If investors in Class B, C or D Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

If investors in Class F Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class E Shares.

The Classes E and F are currently inactive and will be launched upon decision of the Board of Directors of the Fund.

## 12. INVESTMENT MANAGER / SUB-INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

As from June 10, 2008, **Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-fund. As from February 7, 2019, **Pharus Asset Management S.A** has appointed **Swan Asset Management SA** a public limited company incorporated under Swiss laws, registered with the Swiss Trade Registry under number CHE-114.604.245 having its registered office at Via L. Zuccoli 19, CH-6900 Lugano, Switzerland as Sub-Investment Manager of this Sub-Fund.

## 13. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.5%</b> of the applicable net asset value per Share.

<b>Global Fee</b>	up to <b>1.20% p.a.</b> of the average net assets value during each quarter for Classes A, E and Q Shares and payable quarterly on arrears.
	up to <b>0.90% p.a.</b> of the average net assets value during each quarter for Classes B, C and F Shares and payable quarterly on arrears.
	up to <b>1.00% p.a.</b> of the average net assets value during each quarter for Class D Shares and payable quarterly on arrears.

#### **Performance Fee**

In addition, the Fund will pay for all classes to the Investment Manager a performance fee (the "Performance Fee"), calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the Performance Fee is higher than any previous year-end net asset value per Share.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 10% for the share class B and 15% for all other share classes of the difference between the net asset value per Share before Performance Fee and the previous year-end net asset value per Share multiplied by the yearly average number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

#### **14. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for *Institutional Investors* who may benefit from the reduced rate of 0.01% i.e. Class B, C and F Shares.

#### **15. DIVIDENDS**

Dividend payments will be made for Class C Shares on February of each year after the approval of the Board of Directors.

All other classes are accumulation Share classes.

#### **16. INITIAL SUBSCRIPTIONS**

The subscription amount must have been received by the Depositary Bank on behalf of the Fund at least the last day of the initial subscription period which shall terminate at 3:00 pm (Luxembourg time).

## **IX. PHARUS SICAV – BOND VALUE (DORMANT)**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Bond Value

### **2. INVESTMENT OBJECTIVES AND POLICY**

The objective of this Sub-Fund is to take advantage of the opportunities offered by the global bond market with a long term investment horizon.

The Sub-Fund will invest its assets in debt securities of any kind including convertible bonds, inflation-linked bonds, fixed or floating debt securities and/or money markets instruments issued or guaranteed by sovereign, supranational and/or corporate issuers without any geographical restriction and denominated in all currencies.

The Sub-Fund will enhance portfolio returns through a dynamic management of duration and exposure to currencies.

The Sub-Fund may invest up to 100% in Government Bonds (investment grade), or up to 100 % in Corporate Bonds (investment grade) or up to 100% of its assets in high yield bonds. High yield bonds are Corporate Debt Securities rated between BB+/ Ba1 and CCC+/Caa by a recognized Rating Agency.

The Sub-Fund may invest up to 20% of its assets in convertible bonds or CoCos Bonds.

The Sub-Fund will limit the investment in unrated debt securities to 15% of the Sub-Fund's net asset.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

The Sub-Fund is not allowed to invest in Asset-Backed Securities (the “ABS”), Mortgage-Backed Securities (the “MBS”) neither directly nor indirectly.

Investments in distressed or defaulted securities are not envisaged.

In order to achieve its objectives, the Sub-Fund may invest up to 10% of its assets in UCITS and/or other UCIs including ETFs qualifying as UCITS and/or UCIs that mainly invest in debt security of any kind.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may, on an ancillary basis, hold cash and cash equivalents.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures and forward contracts on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

#### **2.1 Investment Process and Sustainability considerations**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company does not delegate the portfolio management function of the Sub-Fund to any Investment Manager and, as such, it does consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFDR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%

TRS	100%
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The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

#### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

#### **5. PROFILE OF THE TYPICAL INVESTOR**

Investors who want to participate in the opportunities offered by the global bond market. Investors who plan to maintain their investment over the long term.

#### **6. REFERENCE CURRENCY**

The reference currency is Euro.

#### **7. MINIMUM SUBSCRIPTION AMOUNT**

EUR 1'000 for Class A Shares

EUR 10'000 for Class B Shares

#### **8. MINIMUM HOLDING AMOUNT**

EUR 1'000 for Class A Shares

EUR 10'000 for Class B Shares

#### **9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE**

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

#### **10. CLASSES OF SHARES AVAILABLE**

The Sub-Fund will issue the below classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Opened to Institutional investors, This share class is not active for the time being,

Class B is currently dormant.

#### **11. INVESTMENT MANAGER**

Pharus Management Lux S.A. acts Management Company of Pharus SICAV and has not delegated the day-to-day investment management activity to a third parties for this Sub-Fund.



## 12. CHARGES AND FEES

<b>Front End Fee</b>	None
<b>Redemption Fee</b>	None
<b>Conversion Fee</b>	None
<b>Global Fee</b>	up to <b>1.50% p.a.</b> of the applicable net asset value for Classes A Shares and payable quarterly on arrears.
	up to <b>1.00% p.a.</b> of the applicable net asset value for Classes B Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Fund will pay to the Management Company calculated for all classes a performance fee (the "**Performance Fee**") on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the Performance Fee is higher than any previous year end Net Asset Value per Share (HIGHWATERMARK).

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 10% of the difference, if positive, between the net asset value per Share before performance fee and the highest previous year-end net asset value per Share multiplied by the outstanding number of Shares on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## 13. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

## 14. DIVIDENDS

No dividend payments will be made.

## 15. INITIAL SUBSCRIPTIONS

Class B is currently dormant.

## **X. PHARUS SICAV – DEEVIEW TRADING**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – DeepView Trading

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve medium-long term capital growth by investing directly or indirectly, worldwide without any geographical restriction, in a diversified portfolio of:

- equities, including American Depositary Receipts (the “**ADRs**”) / Global Depositary Receipts (the “**GDRs**”) and close ended Real Estate Investment Trusts (the “**REITS**”) within the meaning of Article 41. (1), a), b), c) and d) and being compliant with Art 2 of the regulation Grand Ducal 2008 not having any embedded Derivatives;
- rated or unrated debt securities of any kind, including money markets instruments, issued or guaranteed by sovereign, supranational and/or corporate issuers;
- term deposits, cash and cash equivalent;
- UCITS / UCIs including ETFs qualifying as UCITS /UCIs;
- Eligible structured instruments embedding derivatives and/or without embedding derivatives which comply with the Grand-Ducal regulation dated 8 February 2008 and the Law of 2010;
- Financial derivatives instruments as further determined below.

Direct investments in Russian equity market and/or Chinese A-shares are not allowed.

Notwithstanding this, the Sub-Fund can invest in ADRs and GDRs which can themselves have Chinese and/ or Russian stocks as underlying.

The Sub-Fund will invest at least 51% of its securities invested portfolio, without cash positions, in debt securities and debt-linked instruments, including UCITS/UCIs and ETF qualifying as UCITS/UCIs that primarily invest in bonds, and/or money market instruments.

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Investment in High Yield could represent up to 80% of the Sub-Fund's net asset.

The Sub-Fund's portion of the portfolio invested in bonds will have an average rating of “B-” rated by Standard & Poor's or an equivalent rating issued by another rating agency.

Investments in defaulted and distressed securities are not allowed under this Sub-Fund

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

The Sub-Fund may invest directly and/or indirectly in convertible bonds, CoCos Bonds, Asset Backed Securities (the “**ABS**”), Mortgage Backed Securities (the “**MBS**”) and Collateralized Debt Obligations (the “**CDOs**”) in aggregate up to 20% of its assets.

The Sub-Fund may invest up to 15% of its assets in structured products with or without embedded derivatives, such as but not limited to Exchange Traded Commodities (the “**ETC**”), Exchange traded notes (the “**ETN**”), Credit

Linked Notes (the “CLN”), certificates on financial indices of any kind and/or on transferable securities and/or on derivative instruments of any kind and/or on commodities.

The Sub-Fund will bear certain costs incurred by the Investment Manager related to the external parties’ eligibility analysis and/or pricing of the, ABS, MBS, and CDOs and structured products.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may use financial derivatives instruments, techniques and instruments relating to transferable securities further described in the Chapter “R – Investment Restrictions” Section “III. Financial derivative instruments and techniques and instruments relating to transferable securities” of the Prospectus.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell, financial futures and options, contract for difference, swaps of any kind, forward contracts on financial indices, foreign currencies, transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## 4. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying mix of equities and bonds worldwide. It is also suitable for investors who are comfortable with an average level of investment risk and understand the risks of investing in the stock and bond markets. The investors must be able to accept temporary losses; thus the Sub-Fund is suitable for investors who can, ideally, accept an investment horizon from 3 to 5 years.

## 5. REFERENCE CURRENCY

The reference currency is Euro.

## 6. MINIMUM INITIAL SUBSCRIPTION AMOUNT / HOLDING AMOUNT

EUR 1'000 for Class A Shares

EUR 100'000 for Class B Shares

EUR 500'000 for Class C Shares

## 7. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg ( the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 8. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue three classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Reserved to retail investors of Banca Consulia.
<b>Class C</b>	Reserved to retail investors of Banca Consulia.

## INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

**Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund.

## 9. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share
<b>Redemption Fee</b>	up to <b>2%</b> pf the applicable net asset value per Share
<b>Conversion Fee</b>	not applicable
<b>Global Fee</b>	up to <b>1.50% p.a.</b> of the applicable net asset value for Class A and B Shares and payable quarterly on arrears.
	<b>0.80% p.a.</b> of the applicable net asset value for Class C Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Sub-Fund will pay to the Investment Manager for all classes a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis, provided that the net asset value per Share before payment of the Performance Fee is higher than the previous year end Net Asset Value per Share .

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 20% of the difference, if positive, between the net asset value per Share before performance fee and the previous year end net asset value per Share multiplied by the outstanding number of Shares on each Valuation Date.

No negative provision will be made.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

#### **10. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

#### **11. DIVIDENDS**

No dividend payments will be made.

#### **12. INITIAL SUBSCRIPTIONS**

The subscription amount must have been received by the Depositary Bank on behalf of the Fund at least the last day of the initial subscription period which shall terminate at 3:00 pm (Luxembourg time).

## **XI. PHARUS SICAV – DYNAMIC ALLOCATION MV7**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Dynamic allocation MV7

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth, by investing mainly in broad range of asset classes such as equities and debt securities of any kind, including, but not limited to, government and corporate bonds, high yield bonds (up to 10% of its assets), convertible bonds, CoCos bonds, fixed income, floating rate notes, inflation linked bonds and money market issued worldwide in compliance with the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

The sub-fund may invest up to 80% of its assets in equities and up to 100% in debt securities of any kind.

The Sub-Fund may invest in American Depositary Receipts (the “**ADRs**”) / Global Depositary Receipts (the “**GDRs**”) / European Depositary Receipt (the “**EDR**”) and close ended Real Estate Investment Trusts (the “**REITS**”) within the meaning of Article 41. (1), a), b), c) and d) of the Law of 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008. These investments have no embedded derivatives.

The Sub-Fund may invest up to 20 % of its assets in convertible bonds or CoCos Bonds.

The investments in debt securities with a Standard & Poor’s rating below B, or equivalent rating issued by another rating agency, may represent up to 10% of its assets.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

Investments in not rated bonds will not exceed 10% of the Sub-Fund’s net assets.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund

The investment in Asset Backed Securities (the “**ABS**”), Mortgage Backed Securities (the “**MBS**”), Collateralized Debt Obligation (the “**CDO**”) and structured products can be only indirect and in aggregate up to 20%.

The total exposure of the Sub-Fund to structured instruments, with or without embedded derivatives, such as credit linked notes, warrants, ETC and certificates on financial indices and/or on transferable securities and/or on commodity indices, will be limited up to 10% of the Sub-Fund’s assets and includes the exposure in UCITS/UCIs and/or ETFs that primarily invest in the structured products above.

These investments and their underlying will always be compliant with the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

It is intended that investments in UCITS and/or other UCIs (including “ETFs qualified as UCITS and/or UCIs”) that mainly invests directly or through financial indices in asset classes mentioned above, is limited to 10% of its assets.

The Sub-Fund shall only invest in target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, contracts for difference, financial futures and forward contracts on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## **2.1 Investment Process and Sustainability considerations**

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager's Sustainability policy. The investments of the Sub-Fund will notably be restricted to issuers evidencing a sound Sustainability rating and which follow good governance practices. The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

The investment process is aimed to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy, including value-, norm- and/ or business conduct exclusion.

ESG Ratings are defined relying on industry leading data providers.

The exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions (including but not limited to jurisdictions mentioned in United Nations Security Council Sanctions, Tobacco Production, Gambling, banned weapons, coal-based business models or sovereign bonds offered by countries with documented severe human right violations.); and
2. All entities displaying weak ESG ratings.

On top of those exclusions, the Investment Manager applies ESG scores to analyze issuers and to monitor investments.

In general, the identified sustainability risks are not expected to affect the Sub-Fund's target returns.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund's annual report.

## **2.2 Consideration of adverse sustainability impacts**

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the "RTS"), and the finalisation of



the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### **3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	50%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	10%

### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

### **5. PROFILE OF TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix of asset classes. It's also suitable for investors who are comfortable with and understand the risks of investing either in the global equity or in the global bond or in global monetary market. The investors must be able to accept significant temporary losses; thus the Sub-Fund is suitable for investors who can afford to set aside the capital for at least 3 years.

### **6. REFERENCE CURRENCY**

The reference currency is the Euro.

### **7. MINIMUM INITIAL SUBSCRIPTION AMOUNT**

EUR 1'000 for Class A Shares  
 EUR 100'000 for Class B Shares  
 EUR 1'000 for Class D Shares

### **8. MINIMUM HOLDING AMOUNT**

EUR 1'000 for Class A Shares  
 EUR 100'000 for Class B Shares  
 EUR 1'000 for Class D Shares

## 9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).  
 The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 10. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue classes of Shares depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors.
<b>Class B</b>	Reserved to <i>Institutional Investors</i>
<b>Class D</b>	Opened to all type of investors.
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The Class W Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat          Palazzo Altieri - Piazza del Gesù, 49          00186 Roma Italia          is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>

If investors in Class B Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

## 11. INVESTMENT MANAGER

Pharus Management Lux S.A. acts Management Company of Pharus SICAV and has delegated under its supervision and responsibility as from the 7 February 2019, its investment management duty for this Sub-Fund to Pairstech Capital Management LLP (the “**Investment Manager**”).

**Pairstech Capital Management LLP.** is based in London (having its registered address at 1/1 a Telegraph Street, London EC2R 7AR, United Kingdom) and is authorized and regulated by the UK Financial Conduct Authority (FCA).

## 12. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share <b>for each share class</b>
<b>Redemption Fee</b>	not applicable for each class.
<b>Conversion Fee</b>	up to <b>0.5%</b> of the applicable net asset value per Share <b>for each share class</b>
<b>Global Fee</b>	Up to <b>2,10% p.a.</b> of the average net assets value during each quarter for Class A and D Shares and payable quarterly on arrears.
	Up to <b>1.20% p.a.</b> of the average net assets value during each quarter for Class B Shares and payable quarterly on arrears.
	Up to <b>1.70% p.a.</b> of the average net assets value during each quarter for Class Q Shares and payable quarterly on arrears
<b>Shareholders Servicing Fee</b>	Up to <b>0.60%</b> p.a. of the applicable net asset value for all shares classes and payable quarterly on arrears.

### Performance Fee

In addition, the Sub-Fund will pay to the Investment Manager for all classes a performance fee (the "**Performance Fee**"), calculated on each Valuation Date and paid on a yearly basis, provided that the net asset value per Share before payment of the Performance Fee is higher than any (ABSOLUTE HIGHWATERMARK) previous year-end net asset value per Share. No reset of the HIGHWATERMARK is foreseen.

The financial intermediaries in connection with the distribution and/or placing of the Sub-Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 20% of the difference between the net asset value per Share before Performance Fee and the previous year-end net asset value per Share multiplied by the number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

### 13. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for *Institutional Investors* who may benefit from the reduced rate of 0.01% i.e. Class B Shares.

### 14. DIVIDENDS

Dividend payments will be made for Class D Shares on annual basis after the approval of the Board of Directors. All other classes are accumulation Share classes.

## **XII. PHARUS SICAV- ELECTRIC MOBILITY NICHES**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Electric Mobility Niches

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth by investing directly and/or indirectly in a flexible way (from 0% to 100%) in a diversified portfolio of equities, debt securities of any kind, including high yield bonds (up to 10%), money market instruments, cash and cash equivalents, financial derivatives instruments.

Sub-Fund may invest in equity mainly focused on companies directly or indirectly involved into the electrification of the transport system and/or to the Advanced Driver Assistance System (the “**ADAS**”).

Direct investments in Russian equity market and/or Chinese A-shares are not allowed. Notwithstanding this, the Sub-Fund can invest in ADRs, GDRs and EDRs which can themselves have Chinese and/or Russian stocks as underlying.

The investment in American Depositary Receipts (the “**ADRs**”) / Global Depositary Receipts (the “**GDRs**”) / European Depositary Receipt (the “**EDR**”) has no embedded derivatives.

The Sub-Fund may invest up to 20% of its assets in aggregate in convertible bonds and/or CoCos Bonds.

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund. Should the downgrade of one or more securities affect this restriction, the Investment Manager has up to 6 months to rebalance the Sub-Fund's portfolio.

Investment in Asset Backed Securities (the “**ABS**”), Mortgage Backed Securities (the “**MBS**”) are allowed only indirectly, through UCITS and/or UCIs, including ETFs.

The Sub-Fund may also invest up to 10% of its assets in UCITS and/or other UCIs (including “ETFs qualifying as UCITS and/or UCIs”).

The investments in structured financial products embedding derivatives and without embedding derivatives will always be made in compliance with the current regulation.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell forward contracts and/or listed derivatives on foreign currencies for hedging purpose.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

Further it has to be ensured that the entry and management fees (each of these fees) applying to the target UCITS, UCIs shall not exceed 3% (three percent) each of the Sub-Fund's net asset value.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

The Sub-Fund has been categorized as a financial product falling under the scope of article 9 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager's Sustainability policy.

The Sub-Fund objective is to facilitate the transition to electric mobility with significative positive repercussion in term of environment and human health. As such the Sub-Fund invests in companies that are instrumental to the incremental adoption of electric mobility in our society. The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

In line with the investment manager - Niche Asset Management (NAM) - Sustainable Responsible Investments policy, the Sub-Fund do not invest in companies that are involved in the following business area:

- companies involved in the production, sale or storage of uranium weapons;
- companies involved in the production or sale of anti-personnel mines and cluster bombs, prohibited by the Oslo and Ottawa treaties;
- companies that violate, repeatedly and seriously, one or more of the ten principles of the Global Compact, without credible corrective action.

In addition, NAM implements specific sectoral exclusion policies for controversial industries, if their main business activity is significantly involved (above 30% of revenue):

- weapons;
- tobacco;
- thermal coal;
- oil upstream.

If an issuer business activity in which NAM is invested becomes significantly involved in the above, NAM will sell it within a reasonable timeframe.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund's annual report.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the "RTS"), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

#### 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

#### 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying mix of equities and bonds with a value and contrarian approach. The investor should be comfortable with a high level of investment risk and understand the risks of investing in the stocks and bonds in emerging markets as well as the higher volatility embedded in a value and contrarian approach. It is suitable for investors who are willing to accept a maximum level of risk and who are willing to accept an investment horizon of 5 years.

#### 6. REFERENCE CURRENCY

The reference currency is the Euro.

#### 7. MINIMUM INITIAL SUBSCRIPTION

EUR 1'000 for Class A Shares

#### 8. MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares  
EUR 50'000 for Class B Shares

#### 9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).  
The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

#### 10. CLASSES OF SHARES AVAILABLE

The Sub-Fund issues classes of Shares of three classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> .
<b>Class Q</b>	Opened to all type of investors.  The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.

	<p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>
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If investors in Class B Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

## 11. INVESTMENT MANAGER

Pharus Management Lux S.A. has delegated, under its supervision and responsibility, its investment management duties for the Sub-Fund's assets to **Niche Asset Management LTD** (the "**Investment Manager**") having its registered address at 17, Lennox Garden, SW1X 0DB - London (UK) and is authorized and regulated by the UK Financial Conduct Authority (FCA).

As from the launch of this sub-fund, **Niche Asset Management LTD** has been appointed as Investment Manager pursuant to an agreement dated 07.06.2019 for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 12. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3 %</b> of the applicable net asset value per share for class A. None for share class B.
<b>Redemption Fee</b>	up to <b>2 %</b> of the applicable net asset value per share for class A. None for share class B.
<b>Conversion Fee</b>	Not applicable
<b>Global Fee</b>	up to <b>2 % p.a.</b> of the applicable net asset value for Class A Shares and payable quarterly on arrears.
	up to <b>0.75 % p.a.</b> of the applicable net asset value for Class B Shares and payable quarterly on arrears.
	up to <b>0.75 % p.a.</b> of the applicable net asset value for Class Q Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Sub-Fund will pay the Investment Manager for all classes a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis, using the mechanism of High Water Mark (the "**HWM**").

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The first HWM will conventionally be the issue price of the Sub-fund and, subsequently, the highest end-of-year Net asset value per share ever achieved before. The condition to calculate the incentive fee is satisfied if the daily Net asset value per share before performance fee is higher than the HWM: the fee will be calculated and accrued daily applying the rate of 20% to the percentage difference between the last Net asset value per share before performance fee and the HWM, multiplied by the number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallization).

### **13. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

### **14. DIVIDENDS**

No dividend payments will be made.

### **15. INITIAL QUOTATION**

**Class Q Shares** may be dealt at the initial dealing price of EUR 100 per Share.



### **XIII. PHARUS SICAV – EOS**

#### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Eos

#### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth, by investing principally in micro/small/medium cap equity securities or in a combination thereof issued or listed on any stock exchange of a Member state of the European Union or of Switzerland.

For the meaning of this investment policy, the capitalization of Micro Cap, Small Cap and Medium Cap stock should not exceed, respectively, EUR 250 million, EUR 1 billion and EUR 5 billion.

Should one or more equity security be upgraded from Medium Cap to Large Cap, the Investment Manager will rebalance the Sub-Fund as soon as possible, in the best interest of the shareholders.

Notwithstanding the above, the Sub-Fund may be invested, residually, in any other listed equity securities different from the above, issued or listed on any stock exchange of a Member state of the European Union or of Switzerland.

It is expected that in particular circumstances including, among others, significant subscriptions, the portfolio may hold up to 70% of its assets and for a maximum period of six months the following:

- transferable debt securities of any kind issued or guaranteed by a Governmental Body, Supranational Body or a Sovereign State, and/or
- money market instruments, and/or
- UCITS or other UCIs investing in debt securities and/or money market instruments.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may also invest up to 10% of the net assets in any other equity security, without geographical restriction.

It is expected that considering the market trend, the Sub-Fund may hold on ancillary basis Money Market Instruments and Cash with the limit of 20% of the net assets for the same body in accordance with the Law of 2010.

To reach this objective, the Sub-Fund will apply a management strategy based on a fundamental analysis.

The Sub-Fund may, in accordance with the investment restrictions of the Sub-Fund, purchase or sell put and call options, financial futures and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

##### **2.1 Investment Process and Sustainability considerations**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFDR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%

TRS 100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

#### 4. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying in Member-State of the European Union and Switzerland. It is also suitable for investors who are comfortable with a high level of investment risk and who understand the risks of investing a portion of the portfolio in stock markets characterized by low liquidity or potential illiquidity.

It is suitable for investors who are willing to accept a maximum level of risk and who are willing to accept an investment horizon of at least three to five years.

#### 5. REFERENCE CURRENCY

The reference currency is Euro.

#### 6. MINIMUM INITIAL SUBSCRIPTIONS AMOUNT

EUR 25'000 for class A1 Shares  
 EUR 25'000 for class A2 Shares  
 EUR 5'000'000 for class B1 Shares  
 EUR 5'000'000 for class B2 Shares

#### 7. MINIMUM HOLDING AMOUNT

EUR 25'000 for Class A1 Shares  
 EUR 25'000 for Class A2 Shares  
 EUR 5'000'000 for class B1 Shares  
 EUR 5'000'000 for class B2 Shares

#### 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

#### 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue classes of Shares depending of the category of the investors targeted:

<b>Class A1</b>	Opened to all type of investors
<b>Class A2</b>	Opened to all type of investors
<b>Class B1</b>	Reserved to <i>Institutional Investors</i>
<b>Class B2</b>	Reserved to <i>Institutional Investors</i>

If investors in Classes B1 and B2 Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Classes A1 and A2 Shares.

The Classes A2, B1 and B2 are currently inactive and will be launched upon decision of the Board of Directors of the Fund.

## 10. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside Switzerland.

**Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement dated June 10, 2008 for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than thirty (30) days prior written notice.

## 11. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>1%</b> of the applicable net asset value per Share for Classes A1 and A2 Shares
	up to <b>1%</b> of the applicable net asset value per Share for Classes B1 and B2 Shares
<b>Redemption Fee</b>	The redemption fee will be applied as follows and will be retained by the Sub-Fund for all Share Classes: Up to <b>2%</b> of the applicable net asset value per Share
<b>Conversion Fee</b>	N/A
<b>Global Fee</b>	Up to <b>2,0% p.a.</b> of the average net assets value during each quarter for Class A1 Shares and payable quarterly on arrears.
	Up to <b>1,5% p.a.</b> of the average net assets value during each quarter for Class B1 Shares and payable quarterly on arrears
	Up to <b>1,5% p.a.</b> of the average net assets value during each quarter for Class A2 Shares and payable quarterly on arrears.
	Up to <b>1,0% p.a.</b> of the average net assets value during each quarter for Class B2 Shares and payable quarterly on arrears

### Performance Fee

In addition, the Investment Manager will be entitled to a performance fee for all classes ("**the Performance Fee**"), calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the Performance Fee is higher than any (HIGHWATERMARK) previous year- end net asset value per Share. No reset of the HIGHWATERMARK is foreseen.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

Performance fees are calculated using the Net Asset Value (the "**NAV**") per Share before payment of the Performance Fee.

Performances fees are calculated using the NAV per Share, after deduction of all expenses, liabilities, and management fees (but not performance fees), and are adjusted to take account of all subscriptions and redemptions.

### Classes A1 and B1:

The Performance Fee, based on the NAV per Share before payment of the Performance Fee will be equal to 20% of the positive excess of the net return of the Sub-Fund over the hurdle rate where the hurdle rate is the 3 years ytm (yield to maturity) bund at the beginning of the year.

The net return of the Sub-Fund corresponds to the performance of the NAV per share before payment of the Performance Fee compared to any previous year end net asset value per Share.

### Classes A2 and B2:

The Performance Fee, based on the NAV per Share before payment of the Performance Fee will be equal to 30% of the positive excess of the net return of the Sub-Fund over the hurdle rate where the hurdle rate is the 3 years ytm (yield to maturity) bund at the beginning of the year.

The net return of the Sub-Fund corresponds to the performance of the NAV per share before payment of the Performance Fee compared to any previous year end net asset value per Share.

For all the classes if a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## **12. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01% i.e. Class B1 and B2 Shares.

## **13. DIVIDENDS**

No dividend payments will be made.

#### XIV. PHARUS SICAV- EUROPE TOTAL RETURN

##### 1. NAME OF THE SUB-FUND

PHARUS SICAV – EUROPE TOTAL RETURN

##### 2. INVESTMENT OBJECTIVES AND POLICY

The Sub-Fund will seek to achieve its investment objective by having a highly flexible strategy comprised of financial derivative instruments (the "**FDI**"), equities and equity linked securities, fixed income securities, cash equivalents including but not limited to US Bills, Italian Government BOT (Buoni Ordinari del Tesoro), German Government Bubill/Schatz and cash. The Sub-Fund's securities listed above will be listed on a Regulated Market.

The Sub-Fund can invest up to 100% of its Net Asset Value in each of the asset classes listed above either directly or via FDI's as described in more detail below.

In particular and in order to produce a positive return for the Sub-Fund on a consistent basis, regardless of the prevailing market conditions, the Sub-Fund will use both exchange traded and over-the-counter (the "**OTC**") FDI to reduce the volatility of the European equities (Large, medium caps), corporate bonds, credit risk and interest rates.

A minimum of 75% of the Sub-Fund's Net Asset Value will be invested in European securities, such as equities, or fixed income securities issued by companies that have their registered office in European countries or derive the predominant part of their economic activity from European countries, European Government bonds, or index options or futures and listed exchange traded funds (the "**ETFs**") listed on Europeans markets or European Government bonds, or in the case of investments in cash (including time deposits), they will be primarily held with European credit institutions.

Up to 25% of the Sub-Fund's Net Asset Value may be invested in non-European securities. The Sub-Fund may have up to 5% exposure in emerging markets.

Equity and equity linked securities include shares, depository receipts (such as global depository receipts to gain exposure to emerging market securities without the local currency exposures), warrants and other participation rights (such as the purchase of tradable rights, i.e. securities that are tradable on a Regulated Market for a short period in relation to a listed company which is undertaking an increase in capital), convertible securities (which for the avoidance of doubt contain embedded leverage), index options/futures (to hedge against market risk and credit risk for Efficient Portfolio Management and investment purposes as set out in the table below) and participation notes (which may be invested in to gain exposure to emerging market securities and avoiding local markets capital gains tax restrictions) and equity linked notes.

The investments in structured instruments embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

Investment in index options/futures will enable the Sub-Fund to be fully invested or fully hedged at all times. Investment in fixed income securities and bonds may include investments in a rating level of BBB- or better by Standard & Poor's Corporation or Baa3 or better from Moody's Corporation (the "**Investment Grade**"), below Investment Grade and un-rated corporate or government fixed income securities and bonds, which have a fixed or floating rate. The total investment in below Investment Grade Bonds and un-rated fixed income securities or bonds will not exceed 50% of the Sub-Fund's Net Asset Value. Un-rated bonds are not rated by any rating agency but may have characteristics of either Investment Grade or below Investment Grade fixed income securities and bonds.

The direct/indirect investments in Asset Backed Securities (the “**ABS**”), Mortgage Backed Securities (the “**MBS**”) and Distressed securities will be limited to 5 % of the Sub-Fund’s assets.

The securities of the Sub-Fund will be listed or traded on the Regulated Markets set out under this Prospectus.

The Sub-Fund may invest up to 20% of its assets in convertible bonds or CoCos Bonds.

The Sub-Fund may invest indirectly in ABS, MBS and Collateralized Debt Obligations (the “**CDOs**”) when the Sub-Funds invest in other UCITS or UCIs.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

Investments in defaulted or distressed securities are not allowed under this Sub-Fund.

**During stressed market conditions, the Sub-Fund may invest substantially in deposits in credit institutions (predominantly in Europe as set out above) to assist the Sub-Fund in its objective to generate an absolute return performance on an annual basis. An investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to the holder of a bank deposit account. The value of Shares may go down or up and investors may not get back the amount invested.**

To achieve its objective, the Investment Manager will, unless market conditions otherwise dictate, through the use of FDI, hold short positions in equities and/or fixed income securities and may take additional long positions. These short positions will be achieved as follows:

#### **Hedging Strategies**

The Sub-Fund may sell equity contracts for difference (the “**CFD**”) or put options on underlying securities to protect market downside risk on the underlying positions in the Sub-Fund.

#### **Arbitrage Strategy**

The Sub-Fund could purchase the underlying shares in a company that is expected to be taken over (with the anticipation that market value will increase) and sell short the shares in the acquiring company (with the anticipation that market value will decrease) using CFDs or Put options.

#### **Cash Premium Strategies**

The Sub-Fund may sell call options out of the money on securities, or write put options on underlying securities. A transaction in FDI which gives rise or may give rise to a future commitment on behalf of the Sub-Fund will be covered as follows:

- a) In the case of FDI which automatically, or at the discretion of the Sub-Fund are cash settled, the Sub-Fund will at all times hold liquid assets which are sufficient to cover at all times the Sub-Fund's obligations arising from its short positions; and/or
- b) in the case of FDI which require physical delivery of the underlying assets, the asset will be held at all times by the Sub-Fund. Alternatively, the Sub-Fund may cover the exposure with sufficient liquid assets where the underlying assets consist of highly liquid fixed income securities.

Such investment in FDI will be used to pursue an absolute return strategy. Such a strategy is designed to achieve capital growth independent of the rise or fall of equity markets.

The global asset allocation will initiate from a "top down" approach at a macro level taking into consideration country specific and regional economic conditions, geo-political situations, government fiscal policies and central bank's monetary policies. All the Fund's securities, other than fixed income securities, will be identified on a "bottom up approach" whereby, the investment assets will be selected using a micro fundamental research process of analyzing company balance sheets to identify the companies that will generate alpha due to superior risk-return characteristics for long positions, or price value for short positions due to the securities being overvalued. Fixed income will be identified by undertaking credit analysis of issuers and taking into consideration current market interest conditions.

The Sub-Fund may invest up to 100% of its Net Asset Value in the following FDI which may be either listed or OTC derivatives, contracts for differences, swaps, options, forwards and futures.

Up to 10% of the Net Asset Value of the Sub-Fund may be invested in exchange traded funds (the "ETFs"), authorized as UCITS or in other eligible collective investment schemes in compliance with the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

Assets may be denominated in currencies, other than the Base Currency, however a substantial part of the assets of the Sub-Fund will be denominated in or hedged to the Base Currency. The FDI will be used for hedging and/or investment purposes.

While the investment in FDI will result in varying amounts of leverage from day-to-day, the leverage generated through the use of FDIs will typically be 200% of the Net Asset Value of the Sub-Fund on a long or short basis, and in any case shall not exceed 400% of the Net Asset Value of the Sub-Fund, as calculated based on the notional value of the FDI positions held.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and



incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

## 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who are willing to tolerate higher risks in order to potentially generate higher returns and who are seeking a portfolio which has a medium to long term horizon.

## 6. REFERENCE CURRENCY

The reference currency is Euro.

## 7. MINIMUM INITIAL SUBSCRIPTION

EUR 25'000 is the minimum initial subscription amount for Share Class A  
CHF 25'000 is the minimum initial subscriptions amount for Share Class B  
USD 25'000 is the minimum initial subscriptions amount for Share Class C  
EUR 25'000 is the minimum initial subscriptions amount for Share Class G  
EUR 250'000 is the minimum initial subscriptions amount for Share Class D  
CHF 250'000 is the minimum initial subscriptions amount for Share Class E  
USD 250'000 is the minimum initial subscriptions amount for Share Class F  
EUR 1'000'000 is the minimum initial subscriptions amount for Share Class H

## 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).  
The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue seven Share Classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors. Expressed in EUR
<b>Class B</b>	Opened to all type of investors. Expressed in CHF and is hedged against the EUR
<b>Class C</b>	Opened to all type of investors. Expressed in USD and is hedged against the EUR
<b>Class G</b>	Class G Shares may only be issued to investors who have in place an Introducer Agreement or Distribution Agreement with the Investment Manager and/ or the Management Company and as further determined belowExpressed in EUR
<b>Class D</b>	Opened to all type of investors. Expressed in EUR
<b>Class E</b>	Opened to all type of investors. Expressed in CHF and is hedged against the EUR
<b>Class F</b>	Opened to all type of investors. Expressed in USD and is hedged against the EUR This share class is not launched yet
<b>Class H</b>	Opened to institutional investors. Expressed in EUR
<b>Class Q</b>	Opened to all type of investors. Expressed in EUR. The Class Q Shares are traded in the ATFund Market, a Multilateral Ttrading Facility organised and operayted by the Italian Stock Exchange, Borsa Italiana S.p.a. The Class Q Shares can only be invetsed through intermediaries that adhere either directly and indirectly to ATFund Market. Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.  Banca Finnat

	<p>Palazzo Altieri - Piazza del Gesù 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares..</p>
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## 10. INVESTMENT MANAGER

Pharus Management Lux S.A. has delegated, under its supervision and responsibility, its investment management duties for the Sub-Fund's assets to **Carthesio S.A.** (the "**Investment Manager**") having its registered address at Via Ferruccio Pelli 13 a CP 5366 6901 Lugano (Switzerland) ) and is authorized and regulated by the FINMA.

**Carthesio S.A** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement dated 16.01.2017 for an unlimited period of time from the date of its signature. It may be terminated by either party, by giving to the other not less than ninety (90) days prior written notice.

## 11. CHARGES AND FEES

<b>Front End Fee</b>	<p>Up to <b>3%</b> of the applicable net asset value per Share for Share Classes <b>A, B, C</b> and <b>G</b>. None for Shares Classes <b>Q, D, E, F</b> and <b>H</b></p>
<b>Redemption and Conversion Fee</b>	<p><u>Effective until 30.11.2020</u></p> <p>Up to <b>3%</b> of the applicable net asset value per Share for Share Classes <b>A, B, C</b> and <b>G</b>. None for Shares Classes <b>Q, D, E, F</b> and <b>H</b> ,</p> <p><u>Effectilve from 01.12.2020</u></p> <p>Up to <b>3%</b> of the applicable net asset value per Share for Share Classes <b>A, B, C, D, E, F</b> and <b>G</b>. Up to <b>1.5%</b> of the applicable net asset value per Share Class <b>H</b>. None for Shares Classes <b>Q</b>.</p>
<b>Global Fee</b>	<p>Up to <b>1.5%</b> p.a. of the applicable net asset value per Share for Share Classes <b>A, B</b> and <b>C</b>. Up to <b>1.0%</b> p.a. of the applicable net asset value per share class of the Classes <b>D, E</b> and <b>F</b> ; Up to <b>0.8%</b> p.a. of the applicable net asset value per share class of the Class <b>H</b>; Up to <b>0.2%</b> p.a. of the applicable net asset value per Share for Share Class <b>G</b>. <b>Class G Shares may only be issued to investors who have in place an Introducer Agreement or Distribution Agreement with the Investment Manager and/ or Management Company in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value.</b> <b>The Class G shares will benefit of up to 50% of the fees paid by other classes, on a monthly basis for the global fee and on a yearly basis for performance fees</b></p> <p>Up to <b>1.25%</b> p.a. of the applicable net asset value per Share for Share Class <b>Q</b>.</p>

The redemption fee shall be paid to the Investment Manager and/or the sub-fund upon request and/or approval of the Board of Directors

## Performance Fee

In addition, the Sub-Fund will pay a performance fee for all share classes as detailed below, calculated and accrued on each Valuation Date and paid on a yearly basis on the **31<sup>st</sup> December** of each year (the “**year-end**”).

The Performance Fee will be calculated on the positive difference between the net asset value per share before Performance Fee compared to the previous year-end net asset value per share on a pro rata basis multiplied by the number of shares outstanding on each Valuation Date.

In details:

- a performance fee equal to 20% of the positive performance for the Class A, Class B, Class C and Class Q shares;
- a performance fee equal to 15% of the positive performance for the Class D, Class E and Class F shares;
- a performance fee equal to 10% of the positive performance for the Class H shares.

For the purposes of calculating the performance fees during the first calculation period, the initial offer price will be taken as the starting point for the calculation of the performance fee, which will be for a shorter period commencing on the first Business Day following the closing of the initial offer period for each Class and will end on the following Calculation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## 12. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%.

## 13. DIVIDENDS

The Board of the Fund does not anticipate distributing dividends from net investment income in respect of the Sub-Fund but the Fund reserves the right to pay dividends or make other distribution in the future. Initially such amounts will be retained by the Sub Fund and will be reflected in the Net Asset Value of the Sub-Fund.

This Prospectus will be updated in the event that the dividend distribution policy of the Sub-Fund should change.

## 14. INITIAL SUBSCRIPTIONS

Class H Shares of the Sub-Fund may initially be subscribed from 02 May 2018 to 11 May 2018 3 pm Lux time at the initial subscription price of Euro 100 per A shares and at the initial subscription price of Euro 100 for class B shares.

The 1<sup>st</sup> NAV of the Class H will be calculated the 15<sup>th</sup> of May 2018 as of the 14<sup>th</sup> of May 2018.

The subscription amount must have been received by the Depositary Bank on behalf of the Fund at least the last day of the initial subscription period which shall terminate at 3:00 pm (Luxembourg time).

## 15. GLOBAL RISK EXPOSURE

By way of derogation to the Section III, Chapter R Investment Restrictions, the Sub-Fund employs an “Absolute VAR approach” method to calculate and monitor the global exposure, based on a market standard model with the following features:

- One-tailed confidence interval of 99%;
- Holding period of 1 month (20 business days);
- Observation period of at least 1 year (250 days);
- Daily update of the data;
- Daily calculation.

The VaR (Value-at-risk) is a risk measure that can be defined as the estimated maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

The maximum level of Value at risk of the Sub-Fund is set at 20%.

The level of leverage of the Sub-Fund is expected to amount up to 400% of the Sub-Fund’s net asset value.

The level of leverage may vary over time. Leverage should be calculated as a sum of notionals of the derivatives used. Leverage is not an additional investment limit and may vary over time. A higher leverage can be reached under various circumstances for example higher market volatility. Investors must be aware of the possibility of higher leverages levels under certain circumstances.

Furthermore, the leverage of the Sub-Fund shall be calculated using the “Sum of notionals” method, in compliance with relevant Luxembourg laws and regulation and European Securities and Market Authorities (the “ESMA”) guidelines.

## **XV. PHARUS SICAV – FASANARA QUANT**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Fasanara Quant

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth by investing in a flexible way in a broad range of asset classes, tapping typically into three performance drivers: international bonds, international equity and money market instruments, as more fully in detail described in the following paragraphs.

The sub-fund invests directly up to 100% in a diversified portfolio of physical equities and/or rated or unrated debt securities of any kind and money markets instruments issued or guaranteed by sovereign, supranational and/or corporate issuers without any geographical restriction, including emerging markets and emerging countries. Moreover, the indirect investment in equity is foreseen through the use of contracts for difference (Total Return Swaps having listed equities as underlying) in order to get long or short exposure on single equity names, according to the asset manager expectations.

Direct investments in Russian equity market and/or Chinese A-shares are not allowed.

The Sub-Fund may invest in American Depositary Receipts (the “**ADRs**”), Global Depositary Receipts (the “**GDRs**”), European Depositary Receipt (the “**EDR**”) and close ended Real Estate Investment Trusts (the “**REITS**”) within the meaning of Article 41. (1), a), b), c) and d) of the Law of 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008, without embedded derivatives.

The Sub-Fund may invest up to 10% of its assets in convertible bonds and/or CoCos bonds, in aggregate.

The expected average rating of the Sub-Fund is BBB, with the possibility to use a higher or lower rating according to the market conditions and in the best interest of the shareholders.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund. Should the downgrade of one or more securities affect this restriction, the Investment Manager has up to 6 months to rebalance the Sub-Fund's portfolio.

The Sub-Fund may also invest, up to 10% of the net assets, in UCITS and/or other UCIs (including “ETFs qualifying as UCITS”).

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund's exposure to commodities, which will be indirect investment through transferable securities without embedded derivative in compliance with the Article 41. (1), a), b), c) and d) of the Law of 2010 (i.e. ETC) and UCITS and/or other eligible UCIs in compliance with and within the limits of the article 41. (1) e) of the Law of 2010, can make out up to 10% of the Sub-Fund's portfolio.

The Sub-Fund is authorized to use financial derivative instruments of any kind, including futures and options, forward contracts and contracts for difference (TRS having equity as underlying), for hedging and/or investment purposes.

When the underlying of futures or options is a financial index, this is compliant with article 9 of the Grand-Ducal Regulation of February 8, 2008.

In general terms, any reference to “indices” in the above paragraphs has to be made to “Financial Indices” in compliance with article 9 of the Grand-Ducal Regulation of February 8, 2008.

The Sub-Fund may enter into securities lending and borrowing transactions as well as repurchase agreements and reverse repurchase agreements.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### **3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	500%

### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

### **5. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix of both debt securities and equities. It is also suitable for investors who are comfortable with and understand the risks of investing both in the equity and bond markets and the risk and opportunities of investing in financial derivative instruments. The investors must be able to accept temporary losses; thus, the Sub-Fund is suitable for investors who can, ideally, afford to set aside the capital for at least 3 to 5 years.

### **6. REFERENCE CURRENCY**

The reference currency is the Euro.

### **7. MINIMUM INITIAL SUBSCRIPTION / HOLDING AMOUNT**

EUR 1'000 for Class A Shares  
 EUR 100'000 for Class B Shares  
 EUR 50'000 for Class B1 Shares



EUR 10'000 for Class B2 Shares  
USD 100'000 for Class BH Shares

## 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the "**Valuation Day**").  
The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the "**NAV calculation day**").

## 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue Shares of classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to retail investors
<b>Class B</b>	Opened to Institutional Investors
<b>Class B1</b>	Opened to Institutional Investors
<b>Class B2</b>	Opened to Institutional Investors
<b>Class BH</b>	Opened to Institutional Investors. Expressed in USD and is hedged against the EUR the hedging cost will be borne directly by the hedged Class.

The Share Class B2 for the time being is dormant and will be launched upon decision of the Board of Directors of the Fund.

## 10. INVESTMENT MANAGER

**Fasanara Capital Ltd** has been appointed as Investment Manager of the Sub-Fund by Pharus Management Lux S.A. pursuant to an Investment Manager Agreement dated as of 16.12. 2019 which provides for the appointment to continue for an unlimited period of time from the date of its signature.

## 11. CHARGES AND FEES

<b>Front End Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Conversion Fee</b>	N/A
<b>Global Fee</b>	up to <b>0.75% p.a.</b> of the average net assets value during each quarter for Classes B and BH Shares and payable quarterly on arrears
	up to <b>1.25% p.a.</b> of the average net assets value during each quarter for Class B1 Shares and payable quarterly on arrears
	up to <b>1.75% p.a.</b> of the average net assets value during each quarter for Classes A and B2 Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Fund will pay, for all Classes, to the Investment Manager, a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis, provided that the net asset value per Share before payment of the Performance Fee is higher than any (HIGHWATERMARK) previous year end Net Asset Value per Share.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

For Shares Classes B and BH, the Performance Fee will be equal to 10% of the difference between the net asset value per Share before performance fee and the previous year-end net asset value per Share multiplied by the number of Shares outstanding on each Valuation Date.

For Share Class B1, the Performance Fee will be equal to 15% of the difference between the net asset value per Share before performance fee and the previous year-end net asset value per Share multiplied by the number of Shares outstanding on each Valuation Date.

For Share Classes A and B2, the Performance Fee will be equal to 20% of the difference between the net asset value per Share before performance fee and the previous year-end net asset value per Share multiplied by the number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## **12. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01%.

## **13. DIVIDENDS**

No dividend payments will be made for any Share Class.

## **14. GLOBAL RISK EXPOSURE**

By way of derogation to the Section III, Chapter R Investment Restrictions, the Sub-Fund employs an "Absolute VAR Approach" method to calculate and monitor the global exposure, based on a market standard model with the following features:

- One-tailed confidence interval of 99%;
- Holding period of 1 month (20 business days);
- Observation period of at least 1 year (250 days);
- Daily update of the data;
- Daily calculation.

The VaR (Value-at-risk) is a risk measure that can be defined as the estimated maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

The maximum level of Value at risk of the Sub-Fund is set at 20%.

Furthermore, the leverage of the Sub-Fund shall be calculated using the "Sum of notionals" method, in compliance with relevant Luxembourg laws and regulation and European Securities and Market Authorities (the "ESMA") guidelines.

The Maximum expected leverage is set at 400% which could be achieved by the use of financial derivative instruments mentioned in section 2.

## **XVI. PHARUS SICAV – GLOBAL DYNAMIC OPPORTUNITIES (DORMANT)**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Global Dynamic Opportunities

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth by investing in a diversified portfolio of equities, including close ended Real Estate Investment Trusts (the “**REITS**”) within the meaning of Article 41. (1), a), b), c) and d) considered as transferable securities according to the Grand-Ducal Regulation of February 8, 2008, and/or rated or unrated debt securities of any kind including convertible and reverse convertible bonds, CoCos Bonds, and money markets instruments issued or guaranteed by sovereign, supranational and/or corporate issuers without any geographical restriction including emerging markets and emerging countries.

The Sub-Fund may invest up to 20% of its net assets in convertible bonds or CoCos Bonds.

Investment in equities, rated or unrated debt securities of any kind including money markets instruments and convertible bonds, can represent, alone or in a combination of either one of them, from 0% to 100% of the Sub-Fund's net assets.

Rated securities must be issued by rated issuers with a Standard & Poor's rating of at least B or an equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

In any case, the Sub-Fund will limit the investment in unrated debt securities to 15%.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund may also invest, up to 10% of the net assets in UCITS and/or other UCIs (including “ETFs qualifying as UCITS”) whose purpose is to invest in a flexible way (from 0% to 100%) in a broad range of asset classes such as equities, including close ended Real Estate Investment Trusts (the “**REITS**”) within the meaning of Article 41. (1), a), b), c) and d) considered as transferable securities according to the Grand-Ducal Regulation of February 8, 2008, debt securities of any kind, government bonds, investment grade bonds, high yield bonds, convertible and reverse convertible bonds, CoCos. Bonds, floating rate notes, financial derivatives, contract for difference (CFD) participatory notes credit default swap, credit default options, total return swaps, financial indices, cash and cash equivalents, money market instruments. These investments in UCITS and/or other UCIs are to be performed within the limits of the Law of 2010.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may also invest within the limits determined below directly or indirectly, where applicable, in structured instruments embedding derivatives and /or without embedding derivatives which need to be eligible in order to comply with the Law of 2010 which are Asset-Backed Securities (the “**ABS**”) and Mortgage-Backed

Securities (the “**MBS**”), Collateralized Debt Obligation (the “**CDO**”), convertible bonds, reverse convertible bonds, credit linked notes, structured bonds, warrants, ETC, ETN, certificates on financial indices of any kind and/or on transferable securities and/or on derivative instruments of any kind, including swaps, and/or commodities, precious metals.

The investments in structured instruments embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

Any of these investments are limited up to 20% of the Sub-Fund’s net assets, with the exception of investments in embedding derivatives such as Asset Backed Securities (the “**ABS**”), Mortgage Backed Securities (the “**MBS**”) and Collateralized Debt Obligations (the “**CDO**”) that will be limited to 15% of the Sub-Fund’s net assets.

Structured products can be instruments like notes, certificates, structured bonds and/or any other Transferable Securities whose returns are correlated with changes in, among others, a financial index including eligible financial indices on volatility, equities, bonds, currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCITS or UCIs, etc., at all times in compliance with the limit of the Law of 2010.

The management strategy adopted will be based on a combination of the main macro and micro variable economics and a fundamental analysis.

The asset allocation is dynamique, active and discretionary with regards to the selection of the markets, sectors, currency, size of companies.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, contracts for difference, credit default swaps, credit default options, participatory notes, financial futures and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

The Sub-Fund may enter into securities lending and borrowing transactions as well as repurchase agreements and reverse repurchase agreements.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value

of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company does not delegate the portfolio management function of the Sub-Fund to any Investment Manager and, as such, it does consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	40,5%

## 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

## **5. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix both debt securities both equities. It's also suitable for investors who are comfortable with and understand the risks of investing both in the equity and bond market. The investors must be able to accept temporary losses; thus the Sub-Fund is suitable for investors who can, ideally, afford to set aside the capital for at least 3 to 5 years.

## **6. REFERENCE CURRENCY**

The reference currency is the Euro.

## **7. MINIMUM INITIAL SUBSCRIPTION AMOUNT**

EUR 1'000 for Class A Shares

EUR 100'000 for Class B Shares

EUR 100,000 for class C Shares

## **8. MINIMUM HOLDING AMOUNT**

EUR 1'000 for Class A Shares

EUR 40'000 for Class B Shares

EUR 80'000 for Class C Shares

## **9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE**

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## **10. CLASSES OF SHARES AVAILABLE**

The Sub-Fund will issue Shares of classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Reserved to all type of investors
<b>Class C</b>	Reserved to seed money, founder shareholders and to their subsequent subscriptions done during the life of the sub-fund, performed directly in their name and/or through same counterparts used in the initial offering period of the sub-fund and/or through other potential counterparts linked to the same initial shareholders. The class C shares is opened also to charity organisations.
<b>Class E</b>	Opened to all type of investors with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class E of Shares will be borne directly by the hedged Class E of Shares. This share class is not launched yet.
<b>Class Q</b>	Opened to all type of investors.  The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.

	<p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares</p>
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If investors in Class B Shares no longer fulfil the conditions of eligibility, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

If investors in Class C Shares no longer fulfil the conditions of eligibility, the Board of Directors may convert their Shares, free of charge, into Classes A, B Shares.

The Class E of Shares for the time being is a dormant Class of Shares. Upon decision of the Board of Directors, as soon as the Class E will be launched, the Prospectus will be amended accordingly.

## 11. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

**Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement dated June 10, 2008 for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 12. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value for Share class A and E.
	Not applicable for Share B, and C.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share A and E
	Not applicable for Share B, and C
<b>Conversion Fee</b>	up to <b>0.50%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	up to <b>1.80% p.a.</b> of the average net assets value during each quarter for Classes A, E and Q Shares and payable quarterly on arrears.

	up to <b>0.90% p.a.</b> of the average net assets value during each quarter for Classes B, and C Shares and payable quarterly on arrears.
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### Performance Fee

In addition, the Fund will pay, for all Classes, to the Investment Manager, a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the a Performance Fee is higher than any (HIGHWATERMARK) previous year end Net Asset Value per Share.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 20% of the difference between the net asset value per Share before performance fee and the previous year-end net asset value per Share multiplied by the number of Shares outstanding on each Valuation Date.

The performance fee of 20% will be paid only in the case the performance of the sub-fund will be higher than 1,00% yearly calculated on a pro rata basis and will be calculated on the positive excess between 1,00% and the performance reached by the sub-fund during each year.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

No performance fee is applied to class C.

### 13. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01%..

### 14. DIVIDENDS

No dividend payments will be made.

### 15. GLOBAL RISK EXPOSURE

By way of derogation to the Section III, Chapter R Investment Restrictions, the Sub-Fund employs an "Absolute VAR Approach" method to calculate and monitor the global exposure, based on a market standard model with the following features:

- One-tailed confidence interval of 99%;
- Holding period of 1 month (20 business days);
- Observation period of at least 1 year (250 days);
- Daily update of the data;



- Daily calculation.

The VaR (Value-at-risk) is a risk measure that can be defined as the estimated maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

The maximum level of Value at risk of the Sub-Fund is set at 20%.

Furthermore, the leverage of the Sub-Fund shall be calculated using the “Sum of notionals” method, in compliance with relevant Luxembourg laws and regulation and European Securities and Market Authorities (the “ESMA”) guidelines.

The Maximum expected leverage is set at 500%.

## **XVII. PHARUS SICAV – GLOBAL FLEXIBLE BOND**

### **1. NAME OF THE Sub-Fund**

Pharus Sicav – Global Flexible Bond

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund seeks to achieve a superior risk-adjusted total rate of return and capital preservation primarily in the form of interest income.

The Sub-Fund will invest in a globally diversified fixed income portfolio such as nominal or inflation-linked bonds, other fixed or floating-rate debt securities and short-term debt securities, issued or guaranteed by sovereign or corporate issuers, as well as bank deposits, money market instruments issued by sovereign, supranational or corporate issuers.

The Sub-Fund may invest up to 15% of its assets in convertible bonds or CoCos Bonds.

The Investment Manager will use its discretion with regard to the selection of markets, sectors, size of companies or issuers. The Sub-Fund may be exposed to a limited number of issuers.

The Investment Manager shall invest in securities with a rating of minimum BBB- by Standard & Poor's Rating Agency or of equivalent agency, or equivalent quality in the opinion of the Investment Manager.

The Investment Manager may invest up to 20% of the Sub-Fund's net assets in debt securities unrated and/or graded below BBB- by Standard & Poor's Rating Agency or of equivalent agency, or equivalent quality in the opinion of the Investment Manager.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund. The Investment Manager will use its discretion with regard to the average maturity of the Portfolio.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

In addition, the Sub-Fund will invest in convertible bonds and equities issued by companies worldwide and equity indexes globally, as well as structured financial instruments such as, but not limited to, equity-linked securities, capital protected notes, certificates on indices, structured notes, subject always to the "Investment Restrictions" described in Section R.

In addition, the Sub-Fund may invest up to 10% of its assets in UCITS and/or other UCIs whose main purpose is to invest in a broad range of debt securities including emerging markets debt securities of any kind of issue as government, corporate and supranational, high yield bonds, money market instruments, cash and cash equivalents without any geographical restriction including emerging countries.

Taking the above exposure of 10 % of its assets which can be invested in UCITS and/ or other UCIs into account the Sub-Fund may also invest indirectly via an investment in UCITSs and / or UCIs (including ETFs qualifying as UCITSs/UCIs) in Asset-Backed Securities (the “**ABS**”) and Mortgage-Backed Securities (the “**MBS**”).

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Investment Manager is authorized to use financial derivative instruments for hedging and/or investment purposes.

The Reference Currency is the EUR. However, the Sub-Fund will potentially invest in instruments denominated in a different currency, with or without hedging the resulting exposure.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the "RTS"), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of

the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### **3. SFTR regulation applicable to this Sub Fund**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

### **5. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund may be appropriate for investors, who:

- seek capital preservation and interest income over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their holdings.

An investment in the Sub-Fund is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all investors.

The Sub-Fund is not intended to be a complete investment program and investors should consider their long-term investment goals and financial needs when making an investment decision about the Sub-Fund.

An investment in the Sub-Fund is intended to be a long-term investment. The Portfolio should not be used as a trading vehicle.

Whilst using their best endeavours to attain the Sub-Fund's objectives, the Directors cannot guarantee the extent to which the investment objectives will be achieved.

### **6. REFERENCE CURRENCY**

The reference currency is the Euro.

## 7. MINIMUM INITIAL SUBSCRIPTION / MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares  
EUR 100'000 for Class B Shares  
EUR 1'000'000 for Class Z Shares  
CHF 100'000 for Class BH - CHF Shares

## 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).  
The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 9. CLASSES OF SHARES AVAILABLE

Share Class A: available to all type of investors.  
Share Class BH - CHF: available to Institutional investors (effective until 30.11.2020)  
Share Class BH - CHF: available to Institutional investors with NAV expressed in CHF and hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost will be borne directly by the class BH-CHF itself (effective as from 12.11.2020)  
Share Class B: available to Institutional investors.  
Share Class Z : reserved to all investors of Banca Generali and of entities affiliated to Gruppo Generali.  
The launch of the share class Z will be decided by the Board of Directors of the Fund.

## 10. INVESTMENT MANAGER

**VALORI ASSET MANAGEMENT** is a company authorized to act as Investment Manager under the prudential supervision of the Commission de Surveillance du Secteur Financier (the “**CSSF**”).

As from 31.10. 2015, **VALORI ASSET MANAGEMENT** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 11. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share except for the Share Classes B and BH-CHF.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share except for the Share Classes B and BH-CHF.
<b>Conversion Fee</b>	up to <b>0.5%</b> of the applicable net asset value per Share except for the Share Classes B and BH - CHF.
<b>Global Fee</b>	up to <b>0.84% p.a.</b> of the average net assets value during the month and payable on monthly basis for the share class A. Up to <b>0.25% p.a.</b> of the average net assets value during the month and payable on monthly basis for the share class BH - CHF. Up to <b>0.65% p.a.</b> of the average net assets value during the month and payable on monthly basis for the share class B.

	Up to <b>0.60% p.a.</b> of the average net assets value during the month and payable on monthly basis for the share class Z.
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### **Performance Fee**

In addition, the Fund will pay to the Investment Manager, a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a monthly basis, provided that the net asset value per Share before payment of the a Performance Fee is higher than any previous month end Net Asset Value per Share.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 12% (for the share class A) and 8% (for the share classes B, BH-CHF and Z) of the difference between the net asset value per Share before Performance Fee and the previous month end net asset value per Share multiplied by the monthly average number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## **12. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets of the Portfolio and is calculated and payable quarterly on the basis of the Sub-Fund 's net asset value at the end of each quarter.

## **13. DIVIDENDS**

No dividend payments will be made.

## **XVIII. PHARUS SICAV – GLOBAL VALUE EQUITY**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Global Value Equity

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to provide growth in capital over the long term with particular emphasis on preservation, making no attempt to track any benchmark.

The Sub-Fund's policy is to invest at least 20% of its net assets in a diversified global portfolio of UCITS and other eligible collective investment undertakings complying with article 41 (1) e) of the Law of 2010 (together, the **"Target UCITS/UCIs"**), which predominantly invest in equity securities by following a value approach.

The Sub-Fund may directly invest up to 20% of its net assets in global equity securities by following a value approach. It may also invest in money market instruments and ancillary liquid assets.

The Sub-Fund and the Target UCITS/UCIs shall predominantly invest in equity securities of companies listed on the major stock exchanges of the world's developed countries.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which Pharus Management Lux S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may invest in financial derivatives instruments for hedging purposes only, to the extent permitted by the applicable investment restrictions.

The Sub-Fund may enter into repurchase agreements or engage in securities lending transactions for the purpose of efficient portfolio management, to the extent permitted by the applicable investment restrictions.

The Sub-Fund is actively managed and has no reference Benchmark.

#### **2.1 Investment Process and Sustainability considerations**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration

of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company does not delegate the portfolio management function of the Sub-Fund to any Investment Manager and, as such, it does consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.



## 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors that: (i) understand and are comfortable with the risks entailed by investing in the equity markets, (ii) have a long-term investment horizon, ideally longer than five years, and (iii) are prepared to consider short-term fluctuations in the Sub-Fund's net asset value.

## 6. REFERENCE CURRENCY

The reference currency is the Euro for all Share Classes.

## 7. MINIMUM INITIAL SUBSCRIPTION / MINIMUM HOLDING

EUR 1'000 for Share Classes **A, AH, AD, AHD** and **C**

EUR 1'000'000\* for Share Classes **D** and **DH**

EUR 100'000\* for Share Classes **I** and **IH**

One Share for Share Classes **Q, QH, QD** and **QHD**

\* The board of directors of the Fund may waive the minimum levels at its discretion.

## 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue thirteen Share Classes depending on the category of the investors targeted:

<b>Classes A, AH, AD and AHD</b>	Opened to all investors.
<b>Classes C, D and DH</b>	Opened to the Sub-Fund's initiators and to other selected investors approved by the board of directors of the Fund.
<b>Classes I and IH</b>	Opened to institutional investors.
<b>Classes Q, QH, QD and QHD</b>	<p>Opened to all type of investors.</p> <p>The Class Q; QH, QD and QHD Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa. The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q; QH, QD and QHD Shares were initially listed. Such classes of shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Classes Q, QH, QD and QHD Shares can only be invested through can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat</p>

	<p>Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>These Share Classes do not issue fractional Shares.</p>
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If investors into Class **I** and **IH** Shares no longer fulfil the conditions of eligibility as Institutional Investors, the board of directors of the Fund may convert their Shares, free of charge, into Class **A** Shares and Class **AH** Shares, respectively.

The Class **AD, AHD, DH and QD** Shares are currently inactive and will be launched upon decision of the board of directors of the Fund.

## 10. CURRENCY HEDGING

For the Share Classes **AH, AHD, DH, IH, QH** and **QHD** it is intended (although not required) that most (but not necessarily all) of the foreign currency exposure presented by the underlying assets of the Sub-Fund be hedged to the reference currency of the relevant Share Class (Euro). This form of "look through" hedging is designed to reduce the currency exposure of the hedged Share Class to some or all of the various currencies in which the assets of the Sub-Fund are denominated.

The hedging costs of each hedged Share Class will be borne directly by the shareholders of the hedged Share Class.

### Specific information in relation to ESMA's opinion on Share classes of UCITS (ESMA34-43-296)

Pharus SICAV is a single legal entity.

#### Contagion risk

With respect to the shareholders, each Sub-Fund is regarded as being separate from the others. The assets of a Sub-Fund can only be used to offset the liabilities which the Sub-Fund concerned has assumed. Given that there is no segregation of liabilities between share classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to share classes which have "hedged" in their name could result in liabilities which might affect the net asset value of the other share classes of the same Sub-Fund."

#### Currency risk hedging range 95% to 105%

All share classes will be issued in registered form only. For share classes whose reference currencies are not identical to the currency of account of the Sub-Fund (the "**share classes in foreign currencies**"), the fluctuation risk of the reference currency price for those share classes is hedged against the currency of account of the Sub-Fund. Provision is made for the amount of the hedging to be between 95% and 105% of the total net assets of the share class in foreign currency. Changes in the market value of the portfolio, as well as in subscriptions and redemptions of share classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. Pharus SICAV and the Investment Manager will then take all the necessary steps to bring the hedging back within the aforementioned limits. The hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the respective Sub-Fund's currency of account.

## 11. INVESTMENT MANAGER

**Pharus Management Lux S.A.** acts as Management Company of Pharos SICAV and has not delegated the day-to-day investment management activity to third parties for this Sub-Fund.

## 12. INVESTMENT ADVISOR

To determine and implement the investment policy of the Sub-Fund, Pharos Management Lux S.A. has appointed **GVI Research FZ-LLC**, UG13-D1, RAKEZ Amenity Center, Al Hamra Industrial Zone-FZ Rak, United Arab Emirates as its sole Investment Advisor.

## 13. CHARGES AND FEES

<b>Front End Fee</b>	Up to <b>3%</b> of the applicable net asset value per Share for Share Classes <b>A, AH, AD, AHD, C, D, DH, I</b> and <b>IH</b> . None for Share Classes <b>Q, QH, QD</b> and <b>QHD</b> .
<b>Redemption/ Conversion Fee</b>	None for Share Classes <b>A, AH, AD, AHD, I, IH, Q, QH, QD</b> and <b>QHD</b> . For Share Classes <b>C, D</b> and <b>DH</b> : (1) Up to <b>3%</b> of the applicable net asset value per Share for 0-12 month holding period; (2) Up to <b>2%</b> of the applicable net asset value per Share for 12-24 month holding period; (3) Up to <b>1%</b> of the applicable net asset value per Share for 24-36 month holding period.
<b>Global Fee</b>	Up to <b>1.5%</b> p.a. of the applicable net asset value per Share for Share Classes <b>A, AH, AD</b> and <b>AHD</b> . Up to <b>0.5%</b> p.a. of the applicable net asset value per Share for Share Classes <b>C, D</b> and <b>DH</b> . Up to <b>0.6%</b> p.a. of the applicable net asset value per Share for Share Classes <b>I</b> and <b>IH</b> . Up to <b>0.75%</b> p.a. of the applicable net asset value per Share for Share Classes <b>Q, QH, QD</b> and <b>QHD</b> .

### Performance Fee

In addition, a performance fee (the “**Performance Fee**”) is payable in respect of Share Classes **A, AH, AD, AHD, D, DH, I, IH, Q, QH, QD** and **QHD**. Such Performance Fee, which is calculated and accrued on each Valuation Day, will be paid on a yearly basis (solar year), provided that the net asset value per Share, before payment of the Performance Fee and after deduction of all the other applicable charges and fees, is greater than the highest previous year-end net asset value per Share (the “**High Watermark**”).

The Performance Fee is calculated using the net asset value per Share, before payment of the Performance Fee and after deduction of all the other applicable charges and fees, and takes into account all subscriptions, redemptions and dividends occurred during the calculation period. For the first period, pro rata calculation will start on the date of inception of the relevant Share Class and it will end on the next year-end. The Performance Fee shall be paid yearly upon a resolution of the board of directors of the Fund as an interim dividend to the Class **C** Shareholders.

In respect of Share Classes **A, AH, AD, AHD, I, IH, Q, QH, QD** and **QHD**, the Performance Fee per Share will be equal to 15% of the positive difference between the relevant net asset value per Share, before payment of the Performance Fee and after deduction of all the other applicable charges and fees, and the previous year-end net asset value per Share increased by a 5% yearly hurdle rate calculated on a pro rata basis.

In respect of Share Classes **D** and **DH**, the Performance Fee per Share will be equal to 7.5% of the positive difference between the relevant net asset value per Share, before payment of the Performance Fee and after deduction of all the other applicable charges and fees, and the previous year-end net asset value per Share increased by a 5% yearly hurdle rate calculated on a pro rata basis.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

#### **14. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class **I** and **IH** Shares.

#### **15. DIVIDENDS**

Dividends are payable in respect of Share Classes **AD, AHD, C, QD** and **QHD**. No dividends are payable in respect of all the other Share Classes.

Interim and final dividend payments in respect of Share Classes **AD, AHD, QD** and **QHD** will be made on a semi-annual basis, on the last Luxembourg business day of August and February of each year, following approval of the Board of Directors.

#### **16. SUBSCRIPTIONS AND REDEMPTIONS**

Application forms must be received by the Fund, c/o Edmond de Rothschild Asset Management (Luxembourg), 20, boulevard Emmanuel Servais, L-2535 Luxembourg, before 3.00 p.m. (Luxembourg time) on the relevant Valuation Date. If so received, Shares will be issued at a price based on the net asset value calculated on the relevant Valuation Date. Any application received after 3.00 p.m. (Luxembourg time) will be dealt with on the following Valuation Date.

Shares may be tendered for redemption on any Valuation Date. By way of derogation to section K of this Prospectus, written redemption requests have to be received prior to 10.00 a.m. (Luxembourg time) on one (1) Luxembourg business day prior to the relevant Valuation Date to be effected on such Valuation Date in Luxembourg. Redemption requests received after 10.00 a.m. (Luxembourg time) will be dealt with on the following Valuation Date.

Payment in respect of redemptions will be made within four (4) Luxembourg business days of the Valuation Date on which the Shares were redeemed.

The rules set forth in this paragraph for the redemption of shares are not applicable for Class **Q** Shares. Additional information and documentation on how and under which conditions such **Q** Shares classes can be redeemed may be obtained from Borsa Italiana.

## **XIX. PHARUS SICAV – I-BOND PLUS SOLUTION**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – I-Bond Plus Solution

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve medium term capital growth by investing directly in a diversified portfolio of debt securities of any kind, corporates, governments, investment grade and high yield bonds, fixed or floating debt securities, inflation protected notes and/or money markets instruments issued or guaranteed by sovereign, supranational and/or corporate issuers without any geographical restriction including emerging markets and emerging countries and/or indirectly through UCITS and/or UCIs including ETFs qualified as UCITS and/or UCIs (the “**Target Funds**”), investing primarily in the same asset classes as described above. Invested Target Fund may use over the counter (the “**OTC**”) complex derivative instruments provided that they are contracted with leading financial institutions specialized in this type of transactions.

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Rated securities must be issued by rated issuers with a Standard & Poor's rating of at least “B-” or an equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The total exposure to equity asset class including that in financial derivatives instruments with the same underlying and/or in UCITS/UCIs (including ETFs qualified as UCITS and/or UCIs) and/or in certificates which primarily invest in this asset class can make out up to 10% of the Sub-Fund's assets without any geographical restriction.

The Sub-Fund may invest up to 20% of its assets in convertible bonds or contingent convertible bonds.

The total exposure of the Sub-Fund to structured instruments embedding derivatives such as Asset-Backed Securities (the “**ABS**”), Mortgage-Backed Securities (the “**MBS**”), convertible bonds, credit linked notes, structured bonds, reverse convertible bonds, participation and stock participation paper, warrants, ETC and certificates on financial indices and/or on real estate indices and/or on transferable securities and/or on commodity indices will be limited up to 10% of the Sub-Fund's assets and includes the exposure in UCITS/UCIs and/or ETFs that primarily invest in the structured products above.

It is expected that the total aggregate investments in Emerging markets countries done considering all asset classes permitted by the Prospectus will not exceed 50% of the Portfolio's net assets.

The investments in structured instruments embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The Sub-Fund may hold cash and cash equivalents, on an ancillary basis.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, swaption, contracts for difference (the “CFD”), credit default swap, financial futures and forward contracts on financial indices, commodity indices, foreign currencies and transferable securities for hedging and/or investment purposes.

Within the limits set forth, the Sub-Fund is authorised to use financial techniques and instruments both for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company does not delegate the portfolio management function of the Sub-Fund to any Investment Manager and, as such, it does consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### **3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

### **5. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek medium term growth and are interested to benefit of a diversified mix of bonds both directly both indirectly. It's also suitable for investors who are comfortable with and understand the risks of investing in the bond markets. The investors must be able to accept significant temporary losses; thus the Sub-Fund is suitable for investors who can afford to set aside the capital for at least 3-5 years.

### **6. REFERENCE CURRENCY**

The reference currency is USD.

### **7. MINIMUM INITIAL SUBSCRIPTION AMOUNT / MINIMUM HOLDING AMOUNT**

USD 1'000 for Class A Shares

USD 5'000 for Class B Shares

USD 1'000 for Class G Shares

## 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg ( the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue classes of shares depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Opened to Institutional investors This share class has not been launched yet
<b>Class G</b>	Opened to all type of investors. Accumulation share class.

## 10. INVESTMENT MANAGER

Pharus Management Lux S.A. acts as Management Company of Pharus SICAV and has not delegated the day-to-day investment management activity to a third parties for this Sub-Fund.

## 11. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share A and G up to <b>1%</b> of the applicable net asset value per Share B.
<b>Redemption Fee</b>	None
<b>Conversion Fee</b>	None
<b>Global Fee</b>	up to <b>1.50% p.a.</b> of the applicable net asset value for Classes A Shares and Class G Shares and payable quarterly on arrears.
	up to <b>1.30% p.a.</b> of the applicable net asset value for Classes B Shares and payable quarterly on arrears.

**No Performance Fee is paid under this Sub-Fund.**

## 12. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

## 13. DIVIDENDS

Dividend payments will be made for Class A and B shares on a yearly basis after the approval of the Board of Directors. Class G shares will be accumulating.



## **XX. PHARUS SICAV – INTERNATIONAL EQUITY QUANT**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – International Equity Quant

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth, by investing primarily in

- a. either directly, into equities issued by companies worldwide, or
- b. indirectly, in UCITS and/or other UCIs (including ETFs qualifying as UCITS and/or UCIs) that primarily invest in equities and/or in equity financial indices, including close ended Real Estate Investment Trusts (the “REITS”) within the meaning of Article 41. (1), a), b), c) and d) considered as transferable securities according to the Grand-Ducal Regulation of February 8, 2008 and/or in financial eligible indices long short and/or double short, and/or in financial derivative instruments, or both of them, and/or contract for difference (the “CFD”) and/or credit default swaps and/or total return swaps.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

It is expected that investments in equities of emerging market's companies will not exceed 70% of the Sub-Fund's net asset value.

It is expected that investments in liquid assets, money markets instruments and bonds of any kind will not exceed 40% of the Sub-Fund's net assets.

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Rated securities must be issued by rated issuers with a Standard & Poor's rating of at least B- or an equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund's exposure in commodities without embedded derivative, which will be indirect investment through transferable securities in compliance with the Article 41. (1), a), b), c) and d) of the Law of 2010 (i.e. ETC) and UCITS and/or other eligible UCIs in compliance with and within the limits of the article 41. (1) e) of the Law of 2010 can make up to 10% of the Sub-Fund's portfolio.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, contracts for difference (the “CFD”) and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager's Sustainability policy. The investments of the Sub-Fund will notably be restricted to issuers evidencing a sound Sustainability rating and which follow good governance practices. The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

The investment process is aimed to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy, including value-, norm- and/ or business conduct exclusion.

ESG Ratings are defined relying on industry leading data providers.

The exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions (including but not limited to jurisdictions mentioned in United Nations Security Council Sanctions, Tobacco Production, Gambling, banned weapons, coal-based business models or sovereign bonds offered by countries with documented severe human right violations.); and
2. All entities displaying weak ESG ratings.

On top of those exclusions, the Investment Manager applies ESG scores to analyze issuers and to monitor investments.

In general, the identified sustainability risks are not expected to affect the Sub-Fund's target returns.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund's annual report.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the "RTS"), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

#### 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

#### 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying globally in developed countries. It is also suitable for investors who are comfortable with an average level of investment risk and understand the risks of investing in the stock market. It is suitable for investors who are willing to accept a minimum level of risk and who are willing to accept an investment horizon of at least three to five years.

#### 6. REFERENCE CURRENCY

The reference currency is Euro.

#### 7. MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A and Class B Shares

#### 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on a daily basis, every business day in Luxembourg (the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”)

#### 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue classes of Shares depending of the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Reserved to <i>Institutional Investors</i>
<b>Class Q</b>	Opened to all type of investors.

	<p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q Shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares</p>
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If investors in Class B Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

#### 10. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside Switzerland.

**Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement dated June 10, 2008 for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than thirty (30) days prior written notice.

#### 11. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.5%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	up to <b>2% p.a.</b> of the average net assets value during each quarter for Classes A, and Q Shares and payable quarterly on arrears.
	up to <b>1.5% p.a.</b> of the average net assets value during each quarter for Class B Shares and payable quarterly on arrears.

#### Performance Fee

In addition, the Investment Manager will be entitled to a performance fee (the "Performance Fee") for all classes, calculated on each Valuation Date and paid on a yearly basis, provided that the net asset value per Share before payment of the Performance Fee is higher than the previous year end net asset value per Share.

The Performance Fee will be equal to 10% of the difference between the net asset value per Share before Performance Fee and the previous year-end net asset value per Share (Excess Performance) multiplied by the number of Shares outstanding on each Valuation Date.

**For share classes opened to all investors,** If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

**For share classes reserved to Institutional Investors,** on each Valuation Day the accrual will be calculated and crystallized to the difference - if positive - between the Excess Performance before deduction of the performance fee being calculated and the highest Excess Performance calculated with reference to any preceding day during the same yearly period.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

## **12. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01% i.e. Class B Shares.

## **13. DIVIDENDS**

No dividend payments will be made.

## **XXI. PHARUS SICAV - LIQUIDITY**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav - Liquidity

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve a reasonable level of income by investing principally in a diversified range of high quality transferable debt securities, issued by rated issuers with a Standard & Poor's minimum rating of BBB- or equivalent rating issued by another rating agency denominated in the reference currency or any other currencies.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

Moreover, the Sub-Fund may hold, for a maximum of 25% of its assets in transferable debt securities issued by rated issuers with a Standard & Poor's minimum rating of B- or an equivalent rating issued by another rating agency.

The Sub-Fund will only hold transferable debt securities which, at the time of their acquisition by the Portfolio, have an initial or remaining maturity which does not exceed 3 years and twenty days.

The Sub-Fund may invest up to 10% of its net assets in convertible bonds.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures and forward contracts, on financial indices, foreign currencies for hedging and/or speculative purposes.

Investments in UCITs and/or UCIs are not foreseen.

The Sub-Fund is actively managed and has no reference Benchmark.

#### **2.1 Investment Process and Sustainability considerations**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the

investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## 4. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek capital preservation and need access to their money over the short-term. It is also suitable for investors who are concerned about capital risk and who are seeking a liquid, conservative alternative to guaranteed funds. The investors must be able to accept moderate temporary losses; thus the Sub-Fund is suitable for investors who can afford to set aside the capital for at least 2-3 years.

## 5. REFERENCE CURRENCY

The reference currency is the Euro.

## 6. MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares

USD 1'000 for Class B Shares

CHF 1'000 for Class E Shares

## 7. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg ( the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 8. CLASSES OF SHARES AVAILABLE

The Sub-Fund issues classes of Shares depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in USD. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class B of Shares will be borne directly by the hedged Class B of Shares.
<b>Class E</b>	Opened to all type of investors with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class E of Shares will be borne directly by the hedged Class E of Shares.
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q Shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49</p>



	00186 Roma Italia  is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.  This Share Class does not issue fractional Shares.
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If investors in Class B Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

## 9. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

As from June 10, 2008, **Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 10. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.5%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	up to <b>0.5%</b> of the average net assets value during each quarter for classes A, B, E and Q Shares and payable quarterly on arrears.

### Performance Fee

The Fund will pay for all classes to the Investment Manager a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis (solar year) provided that the net asset value per Share before payment of the Performance Fee is higher than any previous year end net asset value per Share.

The Performance Fee will be equal to 10% of the difference between the net asset value per Share before Performance Fee and the previous year-end net asset value per Share multiplied by the yearly average number of Shares outstanding on each Valuation Date.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## **11. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for *Institutional Investors* who may benefit from the reduced rate of 0.01% i.e. Class B Shares.

## **12. DIVIDENDS**

No dividend payments will be made.

## **XXII. PHARUS SICAV – MARZOTTO ACTIVE BOND**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Marzotto Active Bond

### **2. INVESTMENT OBJECTIVES AND POLICY**

The objective of this Sub-Fund is to take advantage of markets opportunities without an excessive risk exposure and with a medium term investment horizon.

Notwithstanding this the Sub-Fund will comply at all times with the risk diversification principles determined under Art 44 of the Law of 2010.

The Sub-Fund will mainly invest its assets in debt securities of any kind issued or guaranteed by sovereign, supranational and/or corporate issuers, including domestic bonds and Euro-bonds with a fixed or floating rate, inflation-linked bonds, treasury bills, zero-coupon bonds, money market instruments and any other debt security provided that they are transferable securities in the meaning of the Law of 2010, denominated in all currencies and regardless of term.

The Sub-Fund will actively employ relative value strategies in a strictly controlled risk environment, in order to gain from discrepancies and inefficiencies on the bond market.

The Sub-fund will invest at least 51% of its assets in debt securities issued by rated issuers with a Standard & Poor's rating of at least B or an equivalent rating issued by another rating agency.

The Sub-Fund may invest up to 25% of its assets in unrated debt securities and/or debt securities with a Standard & Poor's rating below B or equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund may also invest in structured instruments embedding derivatives which need to be eligible in order to comply with the Law of 2010 such as , convertible bonds, credit linked notes, structured bonds, warrants, ETC, certificates on bonds indices and/or on forex indices and/or on transferable securities provided they do not have exposure on equities and on commodity markets.

The investments in structured instruments embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 .

The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

Investments in structured products embedding derivatives are limited up to 30% of the Sub-Fund's net assets..

In order to achieve its objectives, the Sub-Fund may invest up to 10% of its assets in UCITS and/or other UCIs including ETFs qualifying as UCITS and/or UCIs complying with article 41. (1) e) of the Law of 2010 provided they have an exposure limited to 10% in equities and/or in commodities markets.

The Sub-Fund may, on an ancillary basis, hold cash and cash equivalents.

The Sub-Fund may use financial derivatives instruments, techniques and instruments relating to transferable securities further described in the Chapter “R – Investment Restrictions” *Section “III. Financial derivative instruments and techniques and instruments relating to transferable securities”* of the Prospectus.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, swaption, contracts for difference, credit default swap, financial futures and forward contracts on financial indices, commodity indices, foreign currencies and transferable securities for hedging and/or investment purposes.

In order to achieve its objectives, the Sub-Fund may also invest up to 15% of its assets in CFDs.

Within the limits set forth, the Sub-Fund is authorised to use financial techniques and instruments both for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## **2.1 Investment Process and Sustainability considerations**

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager’s Sustainability policy. The investments of the Sub-Fund will notably be restricted to issuers evidencing a sound Sustainability rating and which follow good governance practices. The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

The investment process is aimed to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy, including value-, norm- and/ or business conduct exclusion.

ESG Ratings are defined relying on industry leading data providers.

The exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions (including but not limited to jurisdictions mentioned in United Nations Security Council Sanctions, Tobacco Production, Gambling, banned weapons, coal-based business models or sovereign bonds offered by countries with documented severe human right violations.); and
2. All entities displaying weak ESG ratings.

On top of those exclusions, the Investment Manager applies ESG scores to analyze issuers and to monitor investments.

In general, the identified sustainability risks are not expected to affect the Sub-Fund’s target returns.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund's annual report.

## **2.2 Consideration of adverse sustainability impacts**

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the "RTS"), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## **3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## **4. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is characterized by a cautious management, particularly suitable for investors which want to participate in the opportunities offered by the bond market and with an absolute return target comprehensive of a risk premium compared with short to medium term interest rates.

Accordingly, the present Sub-Fund is dedicated to investors who plan to maintain their investment over the medium to long term.

## **5. REFERENCE CURRENCY**

The reference currency is Euro.

## 6. MINIMUM INITIAL SUBSCRIPTION AMOUNT / MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares

EUR 10'000 for Class B Shares

## 7. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 8. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue three classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Opened to Institutional investors
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q Shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument’s settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>

## 9. Investment Manager

As from the 01.10.2018 **Marengo Financial Services Ltd** 1<sup>st</sup> floor, 43 Maiden Lane, WC2E 7LJ London, is appointed as Investment Manager of the Sub-Fund by Pharus Management Lux S.A. pursuant to an Investment Manager Agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature.

## 10. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share Not applicable for the Class Q shares
<b>Redemption Fee</b>	up to <b>3%</b> of the applicable net asset value per Share Not applicable for the Class Q shares
<b>Conversion Fee</b>	None
<b>Global Fee</b>	up to <b>1.25% p.a.</b> of the applicable net asset value for Classes A Shares and payable quarterly on arrears.
	up to <b>0.75% p.a.</b> of the applicable net asset value for Classes B Shares and payable quarterly on arrears.
	up to <b>1.00% p.a.</b> of the applicable net asset value for Classes Q Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Sub-Fund will pay to the Investment Manager for all classes a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the a Performance Fee is higher than any previous year end Net Asset Value per Share (HIGHWATERMARK).

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 20% of the difference, if positive, between the net asset value per Share before performance fee and the highest previous year-end net asset value per Share multiplied by the outstanding number of Shares on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## 11. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

## 12. DIVIDENDS

No dividend payments will be made.

**1. NAME OF THE SUB-FUND**

Pharus Sicav – Marzotto Active Diversified

**2. INVESTMENT OBJECTIVES AND POLICY**

The objective of this Sub-Fund is to take advantage of all kinds of international markets opportunities, with a short to medium term investment horizon.

The Sub-Fund will comply at all times with the risk diversification principles determined under Art 44 of the Law of 2010.

The Sub-Fund will invest mainly in transferable equity securities of small, medium and large companies in all sectors, regions (including emerging market countries) and currencies. Investments in Russia and China are not envisaged.

The allocation of the Sub-Fund's assets will be based on the Sub-Fund's appreciation of the economic situation in each sector of activity. The Sub-Fund will actively employ relative value strategies in a strictly controlled risk environment, in order to gain from discrepancies and market inefficiencies.

The Sub-Fund may invest in stocks of listed real estate companies, including close ended Real Estate Investment Trusts (REITS) within the meaning of Article 41. (1), a), b), c) and d), considered as transferable securities according to the Grand-Ducal Regulation of February 8, 2008

However, if the conditions on equity markets are unfavourable or not sufficiently attractive according to the Investment Manager, the Sub-Fund may invest up to 80% of its net assets in bonds of any kind, money market instruments, cash and cash equivalent, issued or guaranteed by sovereign, supranational and/or corporate issuers with a Standard & Poor's rating of at least B or an equivalent rating issued by another rating agency.

The Sub-fund may invest up to 25% of its assets in unrated debt securities and/or debt securities with a Standard & Poor's rating below B or equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund may also invest in structured instruments embedding derivatives which need to be eligible in order to comply with the Law of 2010 such as convertible bonds, credit linked notes, structured bonds, warrants, ETC, certificates on bonds indices and/or on forex indices and/or on transferable securities provided they do not have exposure on equities and on commodity markets.

The investments in structured products embedding derivatives are limited up to 30% of the Sub-Fund's net assets..

The investments in structured instruments embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 and the underlying of such



structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

In order to achieve its objectives, the Sub-Fund may invest up to 10% of its assets in UCITS and/or other UCIs including ETFs qualifying as UCITS and/or UCIs complying with article 41. (1) e) of the Law of 2010.

The Sub-Fund may, on an ancillary basis, hold cash and cash equivalents.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, swaption, contracts for difference, credit default swap, financial futures and forward contracts on financial indices, commodity indices, foreign currencies and transferable securities for hedging and/or investment purposes.

Any reference to “indices” in the above paragraph has to be made to “Financial Indices” in compliance with article 9. of the Grand-Ducal Regulation of February 8, 2008.

In order to achieve its objectives, the Sub-Fund may also invest up to 15% of its assets in CFDs.

Within the limits set forth, the sub-fund is authorised to use financial techniques and instruments both for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## **2.1 Investment Process and Sustainability considerations**

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager’s Sustainability policy. The investments of the Sub-Fund will notably be restricted to issuers evidencing a sound Sustainability rating and which follow good governance practices. The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

The investment process is aimed to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy, including value-, norm- and/ or business conduct exclusion.

ESG Ratings are defined relying on industry leading data providers.

The exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions (including but not limited to jurisdictions mentioned in United Nations Security Council Sanctions, Tobacco Production, Gambling, banned weapons, coal-based business models or sovereign bonds offered by countries with documented severe human right violations.); and
2. All entities displaying weak ESG ratings.

On top of those exclusions, the Investment Manager applies ESG scores to analyze issuers and to monitor investments.

In general, the identified sustainability risks are not expected to affect the Sub-Fund's target returns.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund's annual report.

## **2.2 Consideration of adverse sustainability impacts**

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the "RTS"), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## **3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## **4. PROFILE OF THE TYPICAL INVESTOR**

The present Sub-Fund is multi-asset Sub-Fund oriented towards investors interested in taking the opportunities embedded in a diversified portfolio of equities and other risky assets, coping with a volatility typical of a macro total return management style. Accordingly, the present Sub-Fund is dedicated to investors who plan to maintain their investment over the medium term.

## **5. REFERENCE CURRENCY**

The reference currency is Euro.

## 6. MINIMUM INITIAL SUBSCRIPTION AMOUNT / MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares

EUR 10'000 for Class B Shares

## 7. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg ( the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 8. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue three classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Opened to Institutional investors
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q Shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors, who can buy or sell funds daily at a price equal to the NAV of the trading day, which are then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement take place through Monte Titoli at T+3, according to the single instrument’s settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>

## 9. Investment Manager

As from the 01.10.2018 **Marengo Financial Services Ltd** 1<sup>st</sup> floor, 43 Maiden Lane, WC2E 7LJ London, is appointed as Investment Manager of the Sub-Fund by Pharus Management Lux S.A. pursuant to an Investment Manager Agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature.

## 10. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share Not applicable for the Class Q shares
<b>Redemption Fee</b>	up to <b>3%</b> of the applicable net asset value per Share Not applicable for the Class Q shares
<b>Conversion Fee</b>	None
<b>Global Fee</b>	up to <b>1.50% p.a.</b> of the applicable net asset value for Classes A Shares and payable quarterly on arrears.
	up to <b>1.00% p.a.</b> of the applicable net asset value for Classes B Shares and payable quarterly on arrears.
	up to <b>1.25% p.a.</b> of the applicable net asset value for Classes Q Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Sub-Fund will pay for all classes a performance fee (the "**Performance Fee**") to the Investment Manager calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the a Performance Fee is higher than any previous year end Net Asset Value per Share (HIGHWATERMARK).

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 20% of the difference, if positive, between the net asset value per Share before performance fee and the highest previous year-end net asset value per Share multiplied by the outstanding number of Shares on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## 11. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

## 12. DIVIDENDS

No dividend payments will be made.

**1. NAME OF THE SUB-FUND**

Pharus Sicav – Next Revolution

**2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth, by investing either directly in listed equities issued by companies worldwide, or any other similar securities (like: ADR, EDR, GDR), or indirectly in UCITS and/or other UCIs (including ETFs qualifying as UCITS and/or UCIs), whose main purpose is to invest in a broad range of asset classes such as equities, government bonds, high yield bonds, floating rate notes, financial derivative instruments, swaps, cash and cash equivalents.

The Sub-Fund may invest in stocks of listed real estate companies, including close ended Real Estate Investment Trusts (the “**REITS**”). The investment in American Depositary Receipts (the “**ADRs**”) / Global Depositary Receipts (the “**GDRs**”) / European Depositary Receipt (the “**EDR**”) and close ended REITS within the meaning of Article 41. (1), a), b), c) and d) of the Law of 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008, has no embedded derivatives.

The Sub-Fund will mainly focus on listed companies using or developing technologies including technology services companies, internet related companies and technology devices producer, as well as new frontiers of technology environment such as, among the others, cyber securities, artificial intelligence, cloud computing, semiconductor, mobile payment.

To reach this objective, the Sub-Fund could also invest in eligible structured products embedding derivatives or not, including certificates and ETN, up to 15% of its assets. These investments and their underlying will always be compliant with the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

It is expected that the investment in UCITS and/or UCIs may not exceed the 10% of the Net Asset Value of the Sub-Fund.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, contract for differences (the “**CFD**”) and forward contracts, on financial indices, foreign currencies and transferable securities for hedging purpose and/or investment purposes.

The Sub-Fund's exposure to commodities without embedded derivative, which will be indirect investment through transferable securities in compliance with the Article 41. (1), a), b), c) and d) of the Law of 2010 (i.e. ETC) and UCITS and/or other eligible UCIs in compliance with and within the limits of the article 41. (1) e) of the Law of 2010. can make out up to 10% of the Sub-Fund's portfolio.

The Sub-Fund is actively managed and has no reference Benchmark.

**2.1 Investment Process and Sustainability considerations**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR regulation applicable to this Sub Fund

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

#### 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

#### 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix of equity. It's also suitable for investors who are comfortable with and understand the risks of investing in the equity market. The investors must be able to accept significant temporary losses; thus the Sub-Fund is suitable for investors who can afford to set aside the capital for at least 5 years.

#### 6. REFERENCE CURRENCY

The reference currency is the Euro.

#### 7. MINIMUM INITIAL SUBSCRIPTION AMOUNT DURING THE INITIAL SUBSCRIPTION PERIOD

CHF 5'000 for Share Class E and Class F, exclusive of the Front End Fee referred to in section 13. hereafter.

EUR 1'000'000 for Share Class I2.

#### 8. MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares

EUR 1'000 for Class B Shares (effective until 30.11.2020)

EUR 100'000 for Class B Shares (effective as from 01.12.2020)

USD 1'000 for Class C Shares

CHF 1'000 for Class E Shares

CHF 1'000 for Class F Shares

EUR 1'000'000 for I2 Share Class

#### 9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the "**Valuation Day**"). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the "**NAV calculation day**").

#### 10. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue classes of Shares depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> .

<b>Class C</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in USD. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class C of Shares will be borne directly by the hedged Class C of Shares.
<b>Class E</b>	Opened to all type of investors with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class E of Shares will be borne directly by the hedged Class E of Shares.
<b>Class F</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class F of Shares will be borne directly by the hedged Class F of Shares.
<b>Class I2</b>	Opened to Institutional Investors. Expressed in EUR.
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana S.p.A. The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open-ended UCITS, where Class Q Shares were initially listed. Such Class Q shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFplus Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>

If investors in Class B, and C Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

If investors into Class F Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class E Shares.

The Class E Shares and the Class F shares are currently inactive and will be launched upon decision of the Board of Directors of the Fund.

## 11. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.



As from 10<sup>th</sup> June 2008, **Pharus Asset Management S.A.** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 12. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.5%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	up to <b>2% p.a.</b> of the average net assets value during each quarter for Share Classes A and E and payable quarterly on arrears.
	up to <b>1.20% p.a</b> of the average net assets value during each quarter for Share Class Q and payable quarterly on arrears
	up to <b>1.20% p.a</b> of the average net assets value during each quarter for Share Classes B, C and F and payable quarterly on arrears.
	up to <b>1.50% p.a</b> of the average net assets value during each quarter for Share Class I2 and payable quarterly on arrears.

### Performance Fee

In addition, the Sub-Fund will pay a performance fee for all share classes, calculated and accrued on each Valuation Date and paid on a yearly basis on the **30th June** of each year (the “**year-end**”).

The Performance Fee is equal to 10% and it is paid only in the case the performance of the Sub-Fund is higher than 2,00% yearly (the “**Hurdle rate**”).

The Performance Fee will be calculated on the positive difference between the net asset value per share before Performance Fee compared to the previous year-end net asset value per share and the hurdle rate on a pro rata basis (the “**Excess Performance**”) multiplied by the number of shares outstanding on each Valuation Date.

**For share classes opened to all investors**, If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

**For share classes reserved to Institutional Investors**, on each Valuation Day the accrual will be calculated and crystallized to the difference - if positive - between the Excess Performance before deduction of the performance fee being calculated and the highest Excess Performance calculated with reference to any preceding day during the same yearly period.

The financial intermediaries in connection with the distribution and/or placing of the Sub-Fund’s shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

No performance fee will be paid on the I2 Share class.

## 13. TAXE D’ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for *Institutional Investors* who may benefit from the reduced rate of 0.01% i.e. Class B,C and F Shares.

#### **14. DIVIDENDS**

Dividend payments will be made for Class A, B , C, E, F, I2 and Q shares on a yearly basis after the approval of the Board of Directors.

**1. NAME OF THE SUB-FUND**

Pharus Sicav – Southern Europe

**2. INVESTMENT OBJECTIVES AND POLICY**

The objective of this Sub-Fund is to seek long-term capital growth, by investing at least 75% (seventy five percent) of total assets in equities, listed on the Southern European stock markets in Portugal, Spain, France, Italy, Greece, Switzerland, Austria and Turkey, directly or up to 10% through international equity-linked instruments focused on European exchanges, like UCITS and/or UCIs, including ETFs qualified as UCITS and/or UCIs according to the current regulation.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may invest in American Depositary Receipts (the “**ADRs**”) / Global Depositary Receipts (the “**GDRs**”) / European Depositary Receipt (the “**EDR**”) and close ended Real Estate Investment Trusts (the “**REITS**”) within the meaning of Article 41. (1), a), b), c) and d) of the Law 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008. These investments have no embedded derivatives.

Up to 25% (twenty five percent) of its net assets may be invested in bond instruments, including fixed or floating rates, zero-coupons, government and corporate bonds, rated at least BBB- by S&P or an equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Moreover, the Sub-Fund may hold money market instruments on an ancillary basis.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, use financial derivatives instruments such as put and call options, warrants, financial futures, forward contracts on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

Investments in CoCos, distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund is actively managed and has no reference Benchmark.

**2.1 Investment Process and Sustainability considerations**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

#### 4. PROFILE OF THE TYPICAL INVESTOR

Investors of this Sub-Fund must be able to face losses on the capital invested and the capital should be invested for at least five years in order to recover eventual losses and to allow the build-up of capital.

#### 5. REFERENCE CURRENCY

The reference currency is Euro.

#### 6. MINIMUM INITIAL SUBSCRIPTION / MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares

EUR 100'000 for Class B Shares

EUR 7'500 for Class C Shares

#### 7. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

#### 8. CLASSES OF SHARES AVAILABLE

The Sub-Fund can issue the below listed class of Shares which is available to all type of investors:

Class A	Opened to all type of investors
Class B	Reserved to Institutional investors
Class C	Reserved for Investors investing in the fund via discretionary investment management

#### 9. INVESTMENT MANAGER

**Banca Ifigest S.p.A** is a private and independent bank authorized as from April 19, 2001 to act as Investment Manager under the prudential supervision of the Italian supervisory authority (Banca d'Italia) for private assets in and outside Italy.

**Banca Ifigest S.p.A** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement dated 30.11.2015 for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

#### 10. CHARGES AND FEES

<b>Front End Fee</b>	Applicable to Class A and B shares: up to <b>3%</b> of the applicable net asset value per Share No front end fee is charged to class C shares
<b>Redemption Fee</b>	Applicable to Class A and B shares: up to <b>3%</b> of the applicable net asset value per Share No redemption fee is charged to Class C shares
<b>Conversion Fee</b>	Applicable to Class A and B shares:

	up to <b>0.50%</b> of the applicable net asset value per Share No Conversion Fee is charged to Class C Shares.
<b>Global Fee</b>	up to <b>1.60% p.a.</b> of the applicable net asset value for Class A Shares and payable quarterly on arrears.
	up to <b>1.20% p.a.</b> of the applicable net asset value for Class B Shares and payable quarterly on arrears.
	up to <b>1.50% p.a.</b> of the applicable net asset value for Class C Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Fund will pay, for all Classes, to the Investment Manager, a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the a Performance Fee is higher than any previous year end Net Asset Value per Share (HIGHWATERMARK).

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

### Class A:

The Performance Fee will be equal to 10% of the difference; if positive; between the net asset value per Class A Share before Performance Fee and the previous year-end net asset value per Class A Share multiplied by the yearly average number of Shares outstanding on each Valuation Date.

### Classes B:

The Performance Fee will be equal to 8% of the difference; if positive; between the net asset value per Class B Share before Performance Fee and the previous year-end net asset value per Class B Share multiplied by the yearly average number of Shares outstanding on each Valuation Date.

### Class C:

The Performance Fee will be equal to 10% of the difference; if positive; between the net asset value per Class C Share before Performance Fee and the previous year-end net asset value per Class C Share multiplied by the yearly average number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## 11. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for *Institutional Investors* who may benefit from the reduced rate of 0.01% i.e. Class B and Class C

## 12. DIVIDENDS

No dividend payments will be made.

**1. NAME OF THE SUB-FUND**

Pharus Sicav – Swan Dynamic

**2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital appreciation by investing mainly in European markets and/or US markets. To take advantages of the prevailing market conditions, the sub-Fund may also manage actively the allocation of investments among different asset classes and markets. The Sub-Fund pursues a flexible, absolute return investment strategy.

To reach this objective, the Sub-Fund will principally invest in equities and/or debt securities of any kind, included, but not limited to, corporate bonds, government bonds, convertible bonds, fixed income, floating rate bonds, inflation-linked bonds, money markets instruments issued by sovereign, supranational or corporate issuers worldwide without any geographical restriction, in compliance with the article 41, a, b, c, d of the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

The investments in energy and commodities will be indirect through structured products non embedding derivatives (i.e. ETC) and UCITS that will always be made in compliance with the applicable regulations.

The Sub-Fund may also invest up to 10% of its assets in UCITS and/or other UCIs (including "ETFs qualifying as UCITS and/or UCIs").

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may use financial derivatives instruments, techniques and instruments relating to transferable securities further described in the Chapter "R – Investment Restrictions" Section "III. Financial derivative instruments and techniques and instruments relating to transferable securities" of the Prospectus.

The Sub-Fund may be fully invested in index, equities, bonds and foreign exchange futures.

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Rated securities must be issued by rated issuers with a Standard & Poor's rating of at least B- or an equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, contracts for difference, forward contracts, credit linked instruments, swap contracts

on financial indices, foreign currencies, transferable securities, and/or other credit derivatives dealt on a regulated market or Over the counter (the “OTC”), for hedging and/or investment purposes.

It is expected that considering the market trend, the Sub-Fund may hold on ancillary basis Money Market Instruments and Cash with the limit of 20% of the net assets for the same body in accordance with the Law of 2010.

Investments in equities will be done using bottom up stock picking with macro and sector or theme overlay. To achieve this objective, the Investment Manager will use fundamental criteria such as earnings growth and outlook for a specific stock technical sector and theme analyses and events affecting stocks like mergers, takeovers, earnings release, etc., as well as quantitative screenings. Short position through derivatives may be done both as a hedge/diversification tool against other long investments and as a standalone investment decision.

Fundamental analysis activity is used to identify good quality companies for long positions, with high earning growth rate, financial strength and skilled management able to generate value for investors, at attractive prices and with good price momentum. On the short side, the Investment Manager aims to identify and take short positions into poor quality overvalued companies, with deteriorating fundamentals and with weak price momentum.

Depending on market trends, the portfolio of this Sub-Fund may be fully invested in either equities or bonds. The net market exposure of the Sub-fund varies according to the Investment Manager’s view and may be net long or net short throughout the use of derivatives.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk



can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	50%

## 4. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying mix of equities and bonds both directly both through financial derivatives instruments. It is also suitable for investors who are comfortable with an average level of investment risk and understand the risks of investing in the stock and bond markets. It is suitable for investors who are willing to accept an investment horizon of 5 years.

## 5. REFERENCE CURRENCY

The reference currency is Euro.

## 6. MINIMUM INITIAL SUBSCRIPTIONS AMOUNT DURING THE INITIAL SUBSCRIPTION PERIOD

EUR 1'000 for Class A Shares  
 EUR 1'000 for Class B Shares  
 EUR 1'000 for Class C Shares

## 7. MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares  
 EUR 1'000 for Class B Shares  
 EUR 1'000 for Class C Shares

## 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).  
 The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund issues classes of Shares which is available to all type of investors:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Reserved to <i>Institutional Investors</i>
<b>Class C</b>	Reserved to <i>Institutional Investors</i>

## 10. INVESTMENT MANAGER

**Swan Asset Management SA** is a company authorized since September 2009 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside Switzerland.

**Swan Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement dated 28.09.2015 for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 11. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share for Class A Shares,
<b>Redemption Fee</b>	not applicable for each class
<b>Conversion Fee</b>	not applicable for each class
<b>Global Fee</b>	up to <b>2.00% p.a.</b> of the applicable net asset value for Classes A Shares and payable quarterly on arrears.
	up to <b>1.25% p.a.</b> of the applicable net asset value for Classes B Shares and payable quarterly on arrears.
	up to <b>1% p.a.</b> of the applicable net asset value for Classes C Shares and payable quarterly on arrears

**Performance Fee**

In addition, the Fund will pay to the Investment Manager a performance fee (the "**Performance Fee**") for all classes calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the a Performance Fee is higher than any previous year end Net Asset Value per Share (HIGHWATERMARK).

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be for all share classes with exception of the class C shares equal to 15% of the difference, if positive, between the net asset value per Share before performance fee and the highest previous year-end net asset value per Share multiplied by the outstanding number of Shares on each Valuation Date.

For "C" Shares the Performance Fee will be equal to 20% of the difference, if positive, between the net asset value per Share before performance fee and the highest previous year-end net asset value per Share multiplied by the outstanding number of Shares on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## **12. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter.

## **13. DIVIDENDS**

No dividend payments will be made.

## **14. GLOBAL RISK EXPOSURE**

By way of derogation to the Section III, Chapter R Investment Restrictions, the Sub-Fund employs an "Absolute VAR Approach" method to calculate and monitor the global exposure, based on a market standard model with the following features:

- One-tailed confidence interval of 99%;
- Holding period of 1 month (20 business days);
- Observation period of at least 1 year (250 days);
- Daily update of the data;
- Daily calculation.

The VaR (Value-at-risk) is a risk measure that can be defined as the estimated maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

The maximum level of Value at risk of the Sub-Fund is set at 20%.

Furthermore, the leverage of the Sub-Fund shall be calculated using the “Sum of notionals” method, in compliance with relevant Luxembourg laws and regulation and European Securities and Market Authorities (ESMA) guidelines.

The maximum expected leverage is set at 350%.

## **15. INITIAL SUBSCRIPTIONS**

The subscription amount must have been received by the Depositary Bank on behalf of the Fund at least the last day of the initial subscription period which shall terminate at 3:00 pm (Luxembourg time).

## **XXVII. PHARUS SICAV – TARGET**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Target

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth by investing in a diversified portfolio of transferable debt securities without any geographical restriction with or without maturity date (e.g. irredeemable bonds, perpetual bonds) and with any level of subordination (e.g. Tier 1, Upper Tier 2 or Lower Tier 2).

#### Effective until 30.11.2020

The Sub-Fund may invest in aggregate up to 20% of its net assets in convertible bonds or CoCos Bonds.

#### Effective as from 01.12.2020

The Sub-Fund may invest in aggregate up to 30% of its net assets in convertible bonds and CoCo Bonds, nonetheless investments in CoCo Bonds is in any case limited to maximum 20%.

The securities in the Sub-Fund will have a minimum average rating of “B-” (excluding not rated) by Standard & Poor’s or an equivalent rating issued by another rating agency or determined to be of similar creditworthiness by the Investment Manager of the Sub-Fund.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund can invest in distressed securities up to 10% of its assets.

It is expected that investments in unrated debt securities could not exceed the limit of 10% of the net asset value.

Investments in structured notes, Asset Backed Securities (the “ABS”), Collateralized Debt Obligation (the “CDO”) and any transferable security embedding derivatives as referred to in art. 10 of the Grand-Ducal Regulation of February 8, 2008 are not allowed.

The Investment Manager will use its full discretion with regard to the nature, country and rating of the issuers and the selection of sectors, markets, and currency denomination of the debt securities.

In general terms, the Investment Manager shall not seek any direct investment into equity securities, but, by way of exception, and with reference to subordinated bonds and convertible bonds, there is the possibility that such debt instruments under some conditions (e.g. will of supervisory authority and/or the reduction of credit rating of the issue/s) could be converted directly in equities; in such case the Investment Manager is obliged to sell such equities instruments within one month, if possible.

It is intended that investments in UCITS and/or other UCIs (including “ETFs qualified as UCITS and/or UCIs”) that mainly invests directly or through financial indices in asset classes mentioned above, is limited to 10% of its assets.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

**By reason of investments into subordinated debt instruments with or without maturity date (e.g. perpetual bonds), the value of the Sub-Fund could be subject to a higher fluctuations in respect to a portfolio invested into common high rated and senior debt securities.**

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, credit default swaps, Contract for Difference (the “CFD”) and forward contacts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager’s Sustainability policy. The investments of the Sub-Fund will notably be restricted to issuers evidencing a sound Sustainability rating and which follow good governance practices. The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

The investment process is aimed to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy, including value-, norm- and/ or business conduct exclusion.

ESG Ratings are defined relying on industry leading data providers.

The exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions (including but not limited to jurisdictions mentioned in United Nations Security Council Sanctions, Tobacco Production, Gambling, banned weapons, coal-based business models or sovereign bonds offered by countries with documented severe human right violations.); and
2. All entities displaying weak ESG ratings.

On top of those exclusions, the Investment Manager applies ESG scores to analyze issuers and to monitor investments.

In general, the identified sustainability risks are not expected to affect the Sub-Fund’s target returns.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund’s annual report.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### **3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

### **5. SPECIFIC RISK CONSIDERATION**

General risk considerations are described under section “*P. Risk Factors*” of this Prospectus.

In particular, further to the risk therein described for investments in debt securities, this Sub-Fund may invest in lower rated, higher yielding debt securities, which are intended to pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. For such reasons, such financial instruments are subject to greater market and credit risks than higher rated securities.

Furthermore, the investments into subordinated debt securities may expose the Sub-Fund to higher counterparty risk, being the risk that a party to the contract may not be able to meet its obligations and that the other contractual party suffers a financial loss as a result.

This Sub-Fund may also be exposed to higher Liquidity risk in relation to unrated subordinated debt instruments issued by corporate institutions.

As concern to currency risks, being the risk that the value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected, the Sub-Fund may use derivatives to hedge these risks, as specified in more detail in Section R of this Prospectus.

Global Risk exposure of this Sub-Fund shall be calculated through the commitment approach, by converting financial derivatives into the market value of the equivalent position in the underlying asset, or their notional value where judged more conservative.

## 6. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix of bonds of any kind. It is also suitable for investors who are comfortable with and understand the high risks of investing in the corporate bonds market and into perpetual bonds. The investors must be able to accept significant temporary losses; thus the Sub-Fund is suitable for investors who can afford to set aside the capital for at least 5 years.

## 7. REFERENCE CURRENCY

The reference currency is the Euro.

## 8. MINIMUM INITIAL SUBSCRIPTION AMOUNT DURING THE INITIAL SUBSCRIPTION PERIOD

EUR 1'000 for Class A Shares

## 9. MINIMUM INITIAL SUBSCRIPTION / MINIMUM HOLDING AMOUNT

EUR 1'000 for Class AD Shares

EUR 1'000 for Class BD Shares (effective until 30.11.2020)

EUR 100'000 for Class BD Shares (effective from 01.12.2020)

USD 1'000 for Class BH - USD Shares

AUD 1'000 for Class AH-AUD Shares

CHF 1'000 for Class AH - CHF Shares

CHF 1'000 for Class BH - CHF Shares

EUR 1'000 for Class AShares

EUR 50'000 for Class B Shares

## 10. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 11. CLASSES OF SHARES AVAILABLE

The Sub-Fund issues classes of Shares depending on the category of the investors targeted:

<b>Class AD</b>	Opened to all type of investors.
<b>Class BD</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in EUR.
<b>Class BH - USD</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in USD. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class BH - USD of Shares will be borne directly by the hedged Class BH - USD of Shares.
<b>Class AH - AUD</b>	Open to all type of investors with NAV expressed in AUD. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class AH-AUD of Shares will be borne directly by the hedged Class AH - AUD of Shares.
<b>Class AH - CHF</b>	Opened to all type of investors with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class AH - CHF of Shares will be borne directly by the hedged Class AH - CHF of Shares.



<b>Class BH - CHF</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class F of Shares will be borne directly by the hedged Class BH - CHF of Shares.
<b>Class A</b>	Opened to all type of investors. Accumulation share class.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> . Accumulation share class.
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q Shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>

If investors in Class BD and BH - USD Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

If investors into Class BH-CHF Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class E Shares.

If investors into Class B Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

The Class AH - CHF and A are currently inactive and will be launched upon decision of the Board of Directors of the Fund.

## 12. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

As from June 10, 2008, **Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

### 13. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.50%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	up to <b>1.00% p.a.</b> of the average net assets value during each quarter for Classes AD and AH - AUD Shares and payable quarterly on arrears.
	up to <b>1.50% p.a.</b> of the average net assets value during each quarter for Classes AH-CHF, A and Q Shares and payable quarterly on arrears.
	up to <b>0.70% p.a.</b> of the average net assets value during each quarter for Classes B, C, F and H Shares and payable quarterly on arrears.
<b>Shareholders Servicing Fee</b>	The Investment Manager may be entitled to a fee of up to <b>0,5% p.a.</b> on the average value over the quarter of the net assets for the Classes, AD, BD, BH-USD, AH-AUD, AH-CHF, BH-CHF, A, B and Q Shares determined on each Valuation Date and payable quarterly in arrears.

**No Performance Fee is paid under this Sub-Fund.**

### 14. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01% i.e. Class BD, BH-USD, BH-CHF and B Shares.

### 15. DIVIDENDS

Dividend payments will be made for Class AD, BD, BH-USD, AH-CHF, BH-CHF and Q on February of each year after the approval of the Board of Directors.

## XXVIII. PHARUS SICAV – TARGET 2 (DORMANT)

### 1. NAME OF THE SUB-FUND

Pharus Sicav – Target 2

### 2. INVESTMENT OBJECTIVES AND POLICY

The Sub-Fund's investment objective is to achieve long term capital growth by investing in a diversified portfolio of transferable debt securities without any geographical restriction and with any level of subordination (e.g. Tier 1, Upper Tier 2 or Lower Tier 2).

The Sub-Fund may invest up to 20% of its net assets in aggregate in convertible bonds and/or CoCos Bonds.

The Sub-Fund will only hold transferable debt securities which, at the time of their acquisition by the Portfolio, have an initial or remaining maturity which does not exceed 5 years and twenty days.

The minimum average rating of the portfolio (excluding not rated) will be “B-” by Standard & Poor’s or an equivalent rating issued by another recognised credit rating agency or determined to be of similar creditworthiness by the Investment Manager of the Sub-Fund.

Investment in High Yield could represent up to 100% of the Sub-Fund’s net asset.

Investments in defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund can invest in distressed securities up to 10% of its assets.

Following the downgrade of one or more securities, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

It is expected that investments in unrated debt securities could not exceed the limit of 10% of the net asset value.

Any structured financial products, including Asset Backed Securities (the “ABS”) and Collateralized Debt Obligations (the “CDOs”), and transferable securities embedding derivatives as referred to in art. 10 of the Grand-Ducal Regulation of February 8, 2008 are not allowed.

The Investment Manager shall not seek any direct investment into equity securities, but, with reference to subordinated bonds and convertible bonds, there is the possibility that such debt instruments under some conditions (e.g. will of supervisory authority and/or the reduction of credit rating of the issue(s)) could be converted directly in equities; in such case the Investment Manager is obliged to sell such equity securities within one month, if possible, accordingly to the market condition and taking into consideration the best interest of the shareholders.

It is intended that investments in UCITS and/or other UCIs (including “ETFs qualified as UCITS and/or UCIs”) that mainly invests directly or through financial indices in asset classes mentioned above, is limited to 10% of its assets.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

**By reason of investments into subordinated debt instruments, the value of the Sub-Fund could be subject to a higher fluctuation in respect to a portfolio invested into common high rated and senior debt securities.**

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, credit default swaps, Contract for Difference (the “CFD”) and forward contracts, on financial indices, foreign currencies and on transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFDR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
Margin lending transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
Margin lending transaction	0%
TRS	0%

#### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

#### **5. SPECIFIC RISK CONSIDERATION**

General risk considerations are described under section “*P. Risk Factors*” of this Prospectus.

In particular, further to the risk therein described for investments in transferable debt securities, this Sub-Fund may invest in lower rated, higher yielding debt securities, which are intended to pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. For such reasons, such financial instruments are subject to greater market and credit risks than higher rated securities.

Furthermore, the investments into subordinated debt securities may expose the Sub-Fund to higher counterparty risk, being the risk that a party to the contract may not be able to meet its obligations and that the other contractual party suffers a financial loss as a result.

This Sub-Fund may also be exposed to higher Liquidity risk in relation to unrated subordinated debt instruments issued by corporate institutions.

As concern to currency risks, being the risk that the value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected, the Sub-Fund may use derivatives to hedge these risks, as specified in more detail in Section R of this Prospectus.

Global Risk exposure of this Sub-Fund shall be calculated through the commitment approach, by converting financial derivatives into the market value of the equivalent position in the underlying asset, or their notional value where judged more conservative.

#### **6. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix of bonds of any kind. It is also suitable for investors who are comfortable with and understand the high risks of investing in the corporate bonds market and into perpetual bonds. The investors must be able to accept significant temporary losses; thus the Sub-Fund is suitable for investors who can afford to set aside the capital for at least 5 years.

#### **7. REFERENCE CURRENCY**

The reference currency is the Euro.

## 8. MINIMUM INITIAL SUBSCRIPTION AND MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares  
EUR 100'000 for Class B Shares  
USD 100'000 for Class C Shares  
CHF 1'000 for Class E Shares  
CHF 100'000 for Class F Shares  
EUR 1'000 for Class G Shares  
EUR 100'000 for Class H Shares

## 9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).  
The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 10. CLASSES OF SHARES AVAILABLE

The Sub-Fund issues classes of Shares depending on the category of the investors targeted:

Class A	Opened to all type of investors.
Class B	Reserved to <i>Institutional Investors</i> with NAV expressed in EUR.
Class C	Reserved to <i>Institutional Investors</i> with NAV expressed in USD. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class C of Shares will be borne directly by the hedged Class C of Shares.
Class E	Opened to all type of investors with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class E of Shares will be borne directly by the hedged Class E of Shares.
Class F	Reserved to <i>Institutional Investors</i> with NAV expressed in CHF. The Share Class is hedged against the exchange risk of the Reference Currency (EUR) in a range included between 95% and 105%. The hedging cost of the hedged Class F of Shares will be borne directly by the hedged Class F of Shares.
Class G	Opened to all type of investors. Accumulation share class.
Class H	Reserved to <i>Institutional Investors</i> . Accumulation share class
Class Q	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The Class Q Shares can only be invested through Intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>

If investors in Class B, and C Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

If investors into Class F Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class E Shares.

If investors into Class H Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class G Shares.

## 11. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

**Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 12. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.50%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	up to <b>1.00% p.a.</b> of the average net assets value during each quarter for Classes A, E, G and Q Shares and payable quarterly on arrears.
	up to <b>0.50% p.a.</b> of the average net assets value during each quarter for Classes B, C, F and H Shares and payable quarterly on arrears.
<b>Shareholders Servicing Fee</b>	The Investment Manager may be entitled to a fee of up to <b>0,5% p.a.</b> on the average value over the quarter of the net assets for the Classes, A, B, C, E, F, G, H and Q Shares determined on each Valuation Date and payable quarterly in arrears.

**No Performance Fee is paid under this Sub-Fund.**

## 13. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01% i.e. Class B, C, F and H Shares.

## 14. DIVIDENDS

Dividend payments will be made for Class A, B, C, E, F, and Q on June and December of each year after the approval of the Board of Directors.

## 15. INITIAL SUBSCRIPTIONS

The initial subscriptions will be decided by the Board of the Fund.

## **16. INITIAL QUOTATION**

**Class Q Shares** of the Sub-Fund may be dealt at the initial dealing price of EUR 100 per Share.



## **XXIX. PHARUS SICAV – TIKEHON GLOBAL GROWTH & INCOME FUND**

### **1. NAME OF THE SUB-FUND**

Pharus Sicav – Tikehon Global Growth & Income Fund

### **2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth by investing directly in a diversified portfolio of equities, including close ended Real Estate Investment Trusts (the "**REITS**") within the meaning of Article 41. (1), a), b), c) and d) considered as transferable securities according to the Grand-Ducal Regulation of February 8, 2008, debt securities of any kind, including money market instruments, cash and cash equivalents, financial derivatives instruments.

Further the Sub-Fund can invest indirectly through UCITS and/or UCIs, including ETFs qualified as UCITS and/or UCIs, investing in the same asset classes as described above, in compliance with the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010 Law.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The Sub-Fund may invest in stocks of listed real estate companies, close-ended REITS as defined above, considered as transferable securities according to the Grand-Ducal Regulation of February 8, 2008, and in closed-ended REITS.

The Sub-Fund may invest indirectly in Asset Backed Securities (the "**ABS**"), Mortgage Backed Securities (the "**MBS**") through UCITS and/or UCIs, including ETFs.

The Sub-Fund can invest up to 49% of its assets in cash and cash equivalents. If justified by exceptional market conditions, the Sub-Fund invest up to 100% of its net assets in cash and cash equivalents.

The Sub-Fund can invest up to 60% of its assets in equities without any geographical restriction.

The Sub-Fund can be invested up to 80% of its assets in debt securities of any kind without any geographical restriction.

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Rated securities must be issued by rated issuers with a Standard & Poor's rating of at least BBB- or an equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The indirect investments in commodities and/or real estate (other than closed ended REITS as defined above and stocks of listed real estate companies) and/or private equity can make out up to 30% of the Sub-Fund's assets and will be indirect through transferable securities embedding derivatives and/or UCITS/UCIs, including ETFs,

without any geographical restriction, within the limits of the Law of 2010. The diversification of risks will be always respected also at the level of the underlying assets.

To reach this objective, the Sub-Fund could also invest in eligible certificates and/or eligible ETN and/or structured financial instruments embedding derivatives on financial indices and/or on equities and/or on debt securities of any kind up to 10% of the assets within the limit of the Law of 2010.

The investments in structured instruments embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, contracts for difference and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes,.

The Sub-Fund may enter into securities lending and borrowing transactions as well as repurchase agreements and reverse repurchase agreements.

The Reference Currency of the Portfolio is EUR. However, the Sub-Fund will potentially invest in instruments denominated in a different currency, with or without hedging the resulting exposure.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk

occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## 4. CROSS SUB-FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

## 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying mix of equities and bonds both directly both indirectly. It is also suitable for investors who are comfortable with an average level of investment risk and understand the risks of investing in the stock and bond markets. It is suitable for investors who are willing to accept a maximum level of risk and who are willing to accept an investment horizon of five years.

## 6. REFERENCE CURRENCY

The reference currency is the Euro.

## 7. MINIMUM INITIAL SUBSCRIPTION / MINIMUM HOLDING AMOUNT

EUR 1'000 for Class A Shares  
EUR 10'000 for Class B Shares  
EUR 100'000 for Class S Shares  
CHF 10'000 for Class B-CHF Shares

## 8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 9. CLASSES OF SHARES AVAILABLE

The Sub-Fund issues classes of Shares of three classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> with NAV expressed in EUR.
<b>Class S</b>	Reserved to “Seed Money” or “Founder Shareholders” of the Sub-Fund as determined by the Board of Pharos SICAV from time to time.  A Minimum Investment and Holding Amount of at least 100'000 euro is eligibility criteria for this Share Class.
<b>Class B-CHF</b>	Reserved for <i>Institutional Investors</i> with NAV expressed in CHF .

If investors in Class B and Class B-CHF Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

If investors in Class S Shares no longer fulfil the conditions of eligibility, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

## 10. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

As from 12.10.2015, **Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 11. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.50%</b> of the applicable net asset value per Share.

<b>Global Fee</b>	up to <b>1.50% p.a.</b> of the applicable net asset value for Class A Shares and payable quarterly on arrears.
	up to <b>0.75% p.a.</b> of the applicable net asset value for Class B and B-CHF Shares and payable quarterly on arrears.
	up to <b>0.05% p.a.</b> of the applicable net asset value for Class S Shares and payable quarterly on arrears.
<b>Shareholders Servicing Fee</b>	up to <b>0.30% p.a.</b> of the applicable net asset value for all shares classes and payable quarterly on arrears.

### Performance Fee

In addition, the Fund will pay, for all Classes, to the Investment a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of a Performance Fee is higher than any (HIGHWATERMARK) previous year end Net Asset Value per Share.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

#### "Class A"

The Performance Fee will be equal to 1.25% yearly of the difference, if positive, between the net asset value per Share before performance fee and any previous year-end net asset value per Share multiplied by the outstanding number of Shares on each Valuation Date."

#### "Class B" and "Class B-CHF"

The Performance Fee will be equal to 0.50% yearly of the difference, if positive, between the net asset value per Share before performance fee and any previous year-end net asset value per Share multiplied by the outstanding number of Shares on each Valuation Date.

#### "Class S"

No performance fee is applied to this class.

For all classes paying performance fees, if a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## 12. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B and Class B-CHF Shares.

## 13. DIVIDENDS

No dividend payments will be made.

**1. NAME OF THE Sub-Fund**

Pharus Sicav – Titan Aggressive

**2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve long term capital growth, by investing mainly in UCITS and/or other UCIs (including "ETFs qualifying as UCITS and/or UCIs") whose main purpose is to invest in a flexible way (from 0% to 100%) in a broad range of asset classes such as equities, government and corporate bonds, high yield bonds, floating rate notes, financial derivative instruments, money market instruments, cash and cash equivalents and which may have an exposure to commodities and real estate.

The Sub-Fund may invest in American Depositary Receipts (the "ADRs") / Global Depositary Receipts (the "GDRs") / European Depositary Receipt (the "EDRs") and close ended Real Estate Investment Trusts (the "REITs") within the meaning of Article 41. (1), a), b), c) and d) of the Law of 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008. These investments have no embedded derivatives.

Active management of this broad range of asset classes can then further improve risk-adjusted returns. To reach this objective, the Sub-Fund will apply a strategy based on dynamic asset allocation. This tactical asset allocation is undertaken to benefit from the best global investment opportunities at any given time.

The underlying UCITS and other UCIs will be mainly characterized by medium to high volatility.

The underlying UCITS and other UCIs may be denominated in other currencies than the Reference Currency.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

The investment in Contingent Convertible Bonds, Asset Backed Securities (the "ABS"), Mortgage Backed Securities (the "MBS"), Collateralized Debt Obligation (the "CDO") and structured products can be only indirect and in aggregate up to 20%.

Investment in over the counter (the "OTC") complex derivative instruments is allowed only indirectly.

Total indirect exposure on distressed and defaulted securities cannot be above 10% of the sub-funds asset. Direct investment in distressed and defaulted securities is not allowed.

The Sub-Fund may, in accordance with the Fund's investment restrictions, purchase or sell put and call options, financial futures and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

**2.1 Investment Process and Sustainability considerations**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

While certain ESG related factors may be taken into consideration, ESG Regulation will require, among others, the establishment of a specific ESG policy and the carrying out of ESG related due diligence and risk management process on underlying investment fund aiming, for instance, to identify sectors, industries and issuers which shall be excluded by the relevant UCI in order to be investable by the relevant Compartment.

In this context, compliance with ESG Regulation will require consideration of the following:

- Environmental factors such as transitioning to a green economy or reducing energy consumption from non-renewable sources, reducing non-recycled waste, carbon footprint and exclusion of certain industries;
- Social factors such as the use of child labour and forced prison labour, core labour standards, including the right to collective bargaining, whistleblowing, general workplace standards and workplace accident prevention policies or investing in socially disadvantaged communities; and
- Governance factors such as board composition, remuneration, gender equality and pay gap, modern slavery policies and adherence to fundamental labour conventions as well as tax compliances.

When applying an ESG screening process – whether under article 8 or under article 9 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector – it will have to be considered how negative or positive ESG screening may impact the ability to invest in more profitable UCI and to which extent geographical locations and specific industries may, for instance, be excluded by the relevant UCI. Where enhanced ESG related due diligence is applied, it should also be considered how this might impact the timing/cost of making investment decisions.

The return and the performance of underlying fund may be impacted by sustainability risks embedded in their investments. Sustainability risks include any potential or actual material negative impact on the value of an investment as a result of an ESG event or an ESG condition.

## 2.2 Consideration of adverse sustainability impacts

The Management Company does not delegate the portfolio management function of the Sub-Fund to any Investment Manager and, as such, it does consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR regulation applicable to this Sub Fund

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

#### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

#### **5. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix of asset classes. It's also suitable for investors who are comfortable with and understand the risks of investing both in the global equity and global bond markets. The investors must be able to accept temporary losses; thus the Sub-Fund is suitable for investors who can, ideally, afford to set aside the capital for at least 5 years.

#### **6. REFERENCE CURRENCY**

The reference currency is Euro.

#### **7. MINIMUM INITIAL SUBSCRIPTION / MINIMUM HOLDING AMOUNT**

EUR 1,000

#### **8. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE**

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

#### **9. CLASSES OF SHARES AVAILABLE**

The Sub-Fund issues only one class of Shares which is available to all type of investors.

#### **10. INVESTMENT MANAGER**

Pharus Management Lux S.A. acts Management Company of Pharus SICAV and has not delegated the day-to-day investment management activity to a third parties for this Sub-Fund.



## 11. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share.
<b>Redemption Fee</b>	up to <b>2%</b> of the applicable net asset value per Share.
<b>Conversion Fee</b>	up to <b>0.5%</b> of the applicable net asset value per Share.
<b>Global Fee</b>	up to <b>2% p.a.</b> of the average net assets value during each quarter and payable quarterly on arrears.

### Performance Fee

In addition, the Investment Manager will be entitled to a performance fee calculated on each Valuation Date and paid on a yearly basis, provided that the net asset value per Share before payment of the Performance Fee is higher than the previous year end net asset value per Share.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 20% of the difference between the net asset value per Share before Performance Fee and the previous year-end net asset value per Share multiplied by the number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

## 12. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter.

## 13. DIVIDENDS

No dividend payments will be made.

**1. NAME OF THE SUB-FUND**

Pharus Sicav – Trend Player

**2. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's investment objective is to achieve capital growth trying to catch the medium-long trend of the financial markets.

To reach this objective, the Sub-Fund will principally invest in equities and/or debt securities of any kind, included, but not limited to, corporate bonds, government bonds, convertible bonds, fixed income, floating rate bonds, inflation-linked bonds, money markets instruments issued by sovereign, supranational or corporate issuers worldwide without any geographical restriction, in compliance with the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

Investments in not rated bonds will not exceed 15% of the Sub-Fund's net assets.

Rated securities must be issued by rated issuers with a Standard & Poor's rating of at least B- or an equivalent rating issued by another rating agency.

Should the downgrade of one or more securities affect the rating limit mentioned above, the Investment Manager will have up to 6 months to rebalance the Sub-Fund.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund.

The Sub-Fund may invest up to 80% in equities.

The Sub-Fund may invest up to 20% of its assets in convertible bonds or CoCos Bonds.

The Sub-Fund may also invest up to 10% of its assets in UCITS and/or other UCIs (including "ETFs qualifying as UCITS and/or UCIs").

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

To reach this objective, the Sub-Fund could also invest in eligible certificates and/or structured financial instruments embedding derivatives on financial indices and/or on equities and/or on debt securities of any kind and/or money markets instruments including cash and cash equivalent up to 10% of the assets within the limit of the Law of 2010.

The investments in structured instruments embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010 and the underlying of such structured products embedding derivatives will always comply and fulfil the criteria of art. 2.1 and 2.2 of the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The investments in structured products without embedding derivatives will always be made in compliance with the grand-ducal regulation dated 8 February 2008 and article 41 (1) of the Law of 2010.

The Sub-Fund may use financial derivatives instruments, techniques and instruments relating to transferable securities further described in the Chapter *“R – Investment Restrictions”* Section *“III. Financial derivative instruments and techniques and instruments relating to transferable securities”* of the Prospectus.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, forward contracts on financial indices, foreign currencies, transferable securities for hedging and/or investment purposes. It is expected that considering the market trend, the Sub-Fund may hold on ancillary basis Money Market Instruments and Cash with the limit of 20% of the net assets for the same body in accordance with the Law of 2010.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

The Sub-Fund has been categorized as a financial product falling under the scope of article 8 of the SFDR. As such, the Sub-Fund will solely invest in instruments from issuers meeting the Investment Manager’s Sustainability policy. The investments of the Sub-Fund will notably be restricted to issuers evidencing a sound Sustainability rating and which follow good governance practices. The Investment Manager will actively monitor the investee companies and issuers, on the basis of publicly available information or by relying on third party data providers.

The investment process is aimed to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy, including value-, norm- and/ or business conduct exclusion.

ESG Ratings are defined relying on industry leading data providers.

The exclusions applied to the investment universe rely on a two-levels approach:

1. Controversial activities and Jurisdictions (including but not limited to jurisdictions mentioned in United Nations Security Council Sanctions, Tobacco Production, Gambling, banned weapons, coal-based business models or sovereign bonds offered by countries with documented severe human right violations.); and
2. All entities displaying weak ESG ratings.

On top of those exclusions, the Investment Manager applies ESG scores to analyze issuers and to monitor investments.

In general, the identified sustainability risks are not expected to affect the Sub-Fund’s target returns.

Further information are available on the website of the Management Company ([www.pharusmanagement.com](http://www.pharusmanagement.com)), as well as in the Fund’s annual report.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### **3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND**

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

### **4. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying mix of equities and bonds worldwide. It is also suitable for investors who are comfortable with an average level of investment risk and understand the risks of investing in the stock and bond markets. The investors must be able to accept temporary losses; thus the Sub-Fund is suitable for investors who can, ideally, accept an investment horizon from 3 to 5 years.

### **5. REFERENCE CURRENCY**

The reference currency is Euro.

### **6. MINIMUM INITIAL SUBSCRIPTION / MINIMUM HOLDING AMOUNT**

EUR 1'000 for Class A Shares  
EUR 50'000 for Class B Shares

### **7. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE**

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

### **8. CLASSES OF SHARES AVAILABLE**

The Sub-Fund will issue classes of Shares depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors
<b>Class B</b>	Opened to Institutional investors
<b>Class Q</b>	<p>Opened to all type of investors.</p> <p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q Shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to ATFund Market.</p> <p>Investors can buy or sell funds daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia</p> <p>is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>

## 9. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

As from 13.11.2015, **Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 10. CHARGES AND FEES

<b>Front End Fee</b>	up to <b>3%</b> of the applicable net asset value per Share
<b>Redemption Fee</b>	up to <b>2%</b> pf the applicable net asset value per Share
<b>Conversion Fee</b>	up to <b>0.50%</b> pf the applicable net asset value per Share
<b>Global Fee</b>	up to <b>1.20% p.a.</b> of the applicable net asset value for Classes A Shares and payable quarterly on arrears.
	up to <b>1.00% p.a.</b> of the applicable net asset value for Classes B Shares and payable quarterly on arrears.

	up to <b>1.10% p.a.</b> of the applicable net asset value for Classes Q Shares and payable quarterly on arrears.
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### **Performance Fee**

In addition, the Fund will pay for all classes a performance fee (the "**Performance Fee**") calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the a Performance Fee is higher than any previous year end Net Asset Value per Share (HIGHWATERMARK).

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 20% of the difference, if positive, between the net asset value per Share before performance fee and the highest previous year-end net asset value per Share multiplied by the outstanding number of Shares on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

### **11. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved to Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

### **12. DIVIDENDS**

No dividend payments will be made.

## XXXII. PHARUS SICAV- FLEXIBLE ALLOCATION

### 1. NAME OF THE SUB-FUND

Pharus Sicav – Flexible Allocation

### 2. INVESTMENT OBJECTIVES AND POLICY

The Sub-Fund's investment objective is to achieve long term capital growth by investing directly and/or indirectly in a diversified portfolio of equities, debt securities of any kind, including high yield bonds (up to 80%), money market instruments, cash and cash equivalents, financial derivatives instruments.

The sub-fund may invest up to 30% of its assets in equities and up to 100% in debt securities of any kind. Direct investments in Russian equity market and/or Chinese A-shares are not allowed. Notwithstanding this, the Sub-Fund can invest in ADRs, GDRs and EDRs which can themselves have Chinese and/or Russian stocks as underlying.

The investment in American Depositary Receipts (the “**ADRs**”) / Global Depositary Receipts (the “**GDRs**”) / European Depositary Receipt (the “**EDR**”) has no embedded derivatives.

The Sub-Fund may invest up to 10% of its assets in aggregate in convertible bonds and/or CoCos Bonds.

Investments in not rated bonds will not exceed 30% of the Sub-Fund's net assets.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund. Should the downgrade of one or more securities affect this restriction, the Investment Manager has up to 6 months to rebalance the Sub-Fund's portfolio. In case of a downgrade of a rating which will be classified as distressed/defaulted securities, the 10% limit of distressed/defaulted securities is at any time guaranteed.

Investment in Asset Backed Securities (the “**ABS**”), Mortgage Backed Securities (the “**MBS**”) are allowed only indirectly, through UCITS and/or UCIs, including ETFs.

The Sub-Fund may also invest up to 30% of its assets in UCITS and/or other UCIs (including “ETFs qualifying as UCITS and/or UCIs”).

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures and forward contracts on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

Any reference to “indices” in the above paragraph has to be made to “Financial Indices” in compliance with article 9. of the Grand-Ducal Regulation of February 8, 2008.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

Further it has to be ensured that the entry and management fees (each of these fees) applying to the target UCITS, UCIs shall not exceed 3% (three percent) each of the Sub-Fund's net asset value.

The Sub-Fund is actively managed and has no reference Benchmark.

The expected average rating of the Sub-Fund is BB+, with the possibility to use a higher or lower rating according to the market conditions and in the best interest of the shareholders.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFDR REGULATION APPLICABLE TO THIS SUB FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%



Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

#### **4. CROSS SUB FUND INVESTMENTS**

Cross Sub-Fund Investments can be applied under this Sub-Fund.

#### **5. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying mix of equities and bonds with a value and contrarian approach. The investor should be comfortable with a high level of investment risk and understand the risks of investing in the stocks and bonds in emerging markets as well as the higher volatility embedded in a value and contrarian approach. It is suitable for investors who are willing to accept a maximum level of risk and who are willing to accept an investment horizon of 5 years.

#### **6. REFERENCE CURRENCY**

The reference currency is the Euro.

#### **7. MINIMUM INITIAL SUBSCRIPTION**

EUR 50'000.

#### **8. MINIMUM HOLDING AMOUNT**

No minimum holding amount foreseen.

#### **9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE**

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”).

The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

#### **10. CLASSES OF SHARES AVAILABLE**

The Sub-Fund issues following class of Shares:

<b>Class B</b>	Opened to Institutional investors
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#### **11. INVESTMENT MANAGER**

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

**Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## **12. CHARGES AND FEES**

<b>Front End Fee</b>	Not applicable
<b>Redemption Fee</b>	Not applicable
<b>Conversion Fee</b>	Not applicable
<b>Global Fee</b>	up to <b>1.50 % p.a.</b> of the applicable net asset value for Class B Shares and payable quarterly on arrears.

## **13. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for Institutional Investors who may benefit from the reduced rate of 0.01%, i.e. Class B Shares.

## **14. DIVIDENDS**

No dividend payments will be made.

### XXXIII. PHARUS SICAV – BASIC FUND

#### 1. NAME OF THE SUB-FUND

Pharus Sicav – Basic Fund

#### 2. INVESTMENT OBJECTIVES AND POLICY

The Sub-Fund's investment objective is to achieve medium term capital growth, by investing in a broad range of asset classes such as, but not limited to, equities and debt securities of any kind, including convertible and CoCo bonds, issued worldwide in compliance with the Law of 2010 and with the Grand-Ducal Regulation of February 8, 2008.

The Sub-Fund can directly invest up to 60% of its net assets in debt securities as described above with an investment grade credit rating (i.e. minimum Baa3/BBB- according to recognized rating agencies) and up to 20% of its net assets may be invested in non-investment grade bonds.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund. Should the downgrade of one or more securities affect this restriction, the Investment Manager has up to 6 months to rebalance the Sub-Fund's portfolio. In case of a downgrade of a rating which will be classified as distressed/defaulted securities, the 10% limit of distressed/defaulted securities is at any time guaranteed.

Moreover, the Sub-Fund may hold short term securities, money market instruments, cash and cash equivalent on an ancillary basis.

Investment in contingent convertible bonds and/or Structured Products is allowed up to 10% of the assets.

In addition, the Sub-Fund may invest maximum of 10% of its net assets in units or shares of other UCITS and/or UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

The Sub-Fund shall only invest in Target UCITS/UCIs that apply entry and management fees (each of these fees) not exceeding 3% (three percent).

In connection with its investments the Sub-Fund does not intend to invest directly on the Chinese A-Shares market. Nevertheless, it may do so by investing in UCITS investing directly or indirectly in A-Shares. These investments will nevertheless be limited to 10% of the sub-fund's net assets.

The Sub-Fund can from time to time invest in a theme that the manager believes to be interesting on a return/risk profile. That is why it can be sometimes relatively concentrated, notably:

- in terms of geographic exposure;
- in terms of targeted asset class (e.g. the Sub-Fund may focus from time to time on small caps or on growth companies).

However, within the theme, the manager will always keep a diversified portfolio. In particular if the theme is particularly thin and volatile (for example small caps), the single names diversification will be more important. There will also be periods where the portfolio will be largely diversified both in terms of single names and in

terms of themes. In addition, the Sub-Fund shall always comply with the above and investment restrictions listed in Part A of this current prospectus.

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures, contracts for difference (CFD), credit default swap (CDS), and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and/or investment purposes.

The Sub-Fund is actively managed and has no reference Benchmark.

## 2.1 Investment Process and Sustainability considerations

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

The Investment Manager identifies and analyses sustainability risk, an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund. The basis for such a strategy considers that investors can concomitantly reach a competitive financial return and make a positive impact on society and the environment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned Sub-Fund.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the "RTS"), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of

the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

### 3. SFTR REGULATION APPLICABLE TO THIS SUB-FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	50%
Securities borrowing	10%
Repurchase agreements	20%
Buy-sell back transaction	20%
Sell-buy back transaction	20%
TRS	100%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	15%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

### 4. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek the benefits of a diversified mix both debt securities both equities. It's also suitable for investors who are comfortable with and understand the risks of investing both in the equity and bond market. The investors must be able to accept temporary losses; thus the Sub-Fund is suitable for investors who can, ideally, afford to set aside the capital for at least 3 to 5 years.

### 5. REFERENCE CURRENCY

The reference currency is the Euro.

### 6. MINIMUM INITIAL SUBSCRIPTION / MINIMUM HOLDING AMOUNT

Euro 100'000 for Class B.

### 7. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the "Valuation Day"). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the "NAV calculation day").

### 8. CLASSES OF SHARES AVAILABLE

The Sub-Fund will issue classes of Shares depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors.
<b>Class B</b>	Reserved to <i>Institutional Investors</i> .
<b>Class Q</b>	Opened to all type of investors.

	<p>The Class Q Shares are traded in the ATFund Market, a Multilateral Trading Facility organised and operated by the Italian Stock Exchange, Borsa Italiana Spa.</p> <p>The ATFund Market was launched on 1<sup>st</sup> October 2018, following closure of the segment of the ETFplus Market of Borsa Italiana dedicated to open –ended UCITS, where Class Q Shares were initially listed. Such Class Q shares were automatically transferred from the ETFplus Market to the ATFund Market on 1<sup>st</sup> October 2018.</p> <p>The Class Q Shares can only be invested through intermediaries that adhere either directly or indirectly to the ATFund Market. Investors can buy or sell the shares daily at a price equal to the NAV of the trading day, which is then calculated and disclosed the following day.</p> <p>Banca Finnat Palazzo Altieri - Piazza del Gesù, 49 00186 Roma Italia is the Appointed Intermediary supporting liquidity, while settlement takes place through Monte Titoli at T+3, according to the single instrument's settlement calendar.</p> <p>This Share Class does not issue fractional Shares.</p>
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If investors in Class B Shares no longer fulfil the conditions of eligibility as Institutional Investors, the Board of Directors may convert their Shares, free of charge, into Class A Shares.

## 9. INVESTMENT MANAGER

**Pharus Asset Management SA** is a company authorized as from June 20, 2007 to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

**Pharus Asset Management SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 10. CHARGES AND FEES

<b>Front End Fee</b>	None
<b>Redemption Fee</b>	None
<b>Conversion Fee</b>	None
<b>Global Fee</b>	up to <b>1.4%</b> p.a. of the average net assets value during each quarter for Classes A and Q Shares and payable quarterly on arrears.
	up to <b>0.90%</b> p.a. of the average net assets value during each quarter for Class B Shares and payable quarterly on arrears.

### Performance Fee

In addition, the Fund will pay for all classes to the Investment Manager a performance fee (the "Performance Fee"), calculated on each Valuation Date and paid on a yearly basis (solar year), provided that the net asset value per Share before payment of the Performance Fee is higher than any previous year-end net asset value per Share.

The financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

The Performance Fee will be equal to 10% for the share class B and 15% for all other share classes of the difference between the net asset value per Share before Performance Fee and the previous year-end net asset value per Share multiplied by the number of Shares outstanding on each Valuation Date.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

#### **11. TAXE D'ABONNEMENT**

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter, except for the Shares reserved for *Institutional Investors* who may benefit from the reduced rate of 0.01% i.e. Class B Shares.

#### **12. DIVIDENDS**

Since the Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

## XXXIV. PHARUS SICAV- GALILEO DYNAMIC

### 1. NAME OF THE SUB-FUND

Pharus Sicav – Galileo Dynamic

### 2. INVESTMENT OBJECTIVES AND POLICY

The Sub-Fund is actively managed and does not follow any benchmark.

The Sub-Fund's investment objective is to achieve long term capital growth by investing directly and/or indirectly (through UCITS and other eligible UCIs) in a diversified portfolio of equities, debt securities of any kind, including high yield bonds up to 15%, money market instruments, cash and cash equivalents, financial derivatives instruments.

The Sub-Fund may invest up to 100% of its assets in shares or units of UCITS and/or other UCIs (including "ETFs qualifying as UCITS and/or UCIs"), including multimanager funds, equity funds, bond funds, flexible or balanced funds and commodity funds, thus the sub-fund is considered to be a fund of funds.

The investment by the Sub-Fund in target UCIs may result in a duplication of some costs and expenses which will be charged to the Sub-Fund, i.e. setting up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, custodian bank fees, auditing and other related costs. For shareholders of the said Sub-Fund, the accumulation of these costs may cause higher costs and expenses than the costs and expenses that would have been charged to the said Sub-Fund if the latter had invested directly. The sub-fund will however avoid any irrational multiplication of costs and expenses to be borne by the shareholders.

The sub-fund may invest up to 50% of its assets in equities and up to 100% in debt securities of any kind.

#### **Emerging markets and REITS**

Emerging market equity and bonds will be considered only through the investment in shares or units of UCITS and other eligible UCIs, including ETF. Notwithstanding this, the Sub-Fund can invest in ADRs, GDRs and EDRs which can themselves have Emerging Market stocks as underlying.

The Sub-Fund may invest in stocks of listed real estate companies, close-ended REITS, considered as transferable securities according to the current regulation.

The investment in American Depositary Receipts (the "ADRs") / Global Depositary Receipts (the "GDRs") / European Depositary Receipt (the "EDR") and in closed-ended Real Estate Investment Trusts (the "REITS") within the meaning of Article 41. (1), a), b), c) and d) of the Law of 2010 and being compliant with Art 2 of the regulation Grand Ducal 2008, has no embedded derivatives.

#### **Credit**

Investments in not rated bonds will not exceed 10% of the Sub-Fund's net assets. The Sub-Fund shall not invest in convertible bonds and/or CoCos Bonds.

Investments in distressed or defaulted securities are not allowed under this Sub-Fund. Should the downgrade of one or more securities affect this restriction, the Investment Manager has up to 6 months to rebalance the Sub-Fund's portfolio.

Investments in Asset Backed Securities (the "ABS"), Mortgage Backed Securities (the "MBS") are allowed only indirectly, through UCITS and/or UCIs, including ETFs.



## **Commodities**

Exposure to commodities, if any, will be achieved by the Sub-Fund through UCITS and other eligible UCIs, including ETFs and through eligible ETCs not embedding derivatives as defined under article 10. of the Grand-Ducal Regulation of February 8, 2008.

## **Cash and currency exposures**

The Portfolio may hold cash and other cash equivalent instruments on ancillary basis. The Sub-Fund may have an exposure to currency other than the Reference Currency.

## **Derivatives**

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures and forward contracts on financial indices, foreign currencies and transferable securities for efficient portfolio management, including for hedging purposes to reduce certain risks in the portfolio, and/or for investment purposes within the limits set forth in section R "Investment Restrictions".

## **Various**

Any reference to "indices" in the above paragraph has to be made to "Financial Indices" in compliance with article 9. of the Grand-Ducal Regulation of February 8, 2008.

The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the Law of 2010.

Further it has to be ensured that the entry and management fees (each of these fees) applying to the target UCITS and/or UCIs shall not exceed 3% (three percent) each of the Sub-Fund's net asset value.

The expected average rating of the Sub-Fund is BB+, with the possibility to use a higher or lower rating according to the market conditions and in the best interest of the shareholders.

### **2.1 Investment Process and Sustainability considerations**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (together ESG Regulation)

The Sub-Fund has been categorized as a financial product falling under the scope of article 6 of the SFDR.

The Investment Manager is currently not promoting nor integrating environmental, social and governance (ESG) sustainability risks in their investment decisions in accordance with ESG Regulation which will become fully applicable on 10 March 2021.

While certain ESG related factors may be taken into consideration, ESG Regulation will require, among others, the establishment of a specific ESG policy and the carrying out of ESG related due diligence and risk management process on underlying investment fund aiming, for instance, to identify sectors, industries and issuers which shall be excluded by the relevant UCI in order to be investable by the relevant Compartment.

In this context, compliance with ESG Regulation will require consideration of the following:

- Environmental factors such as transitioning to a green economy or reducing energy consumption from non-renewable sources, reducing non-recycled waste, carbon footprint and exclusion of certain industries;
- Social factors such as the use of child labour and forced prison labour, core labour standards, including the right to collective bargaining, whistleblowing, general workplace standards and workplace accident prevention policies or investing in socially disadvantaged communities; and
- Governance factors such as board composition, remuneration, gender equality and pay gap, modern slavery policies and adherence to fundamental labour conventions as well as tax compliances.

When applying an ESG screening process – whether under article 8 or under article 9 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector – it will have to be considered how negative or positive ESG screening may impact the ability to invest in more profitable UCI and to which extent geographical locations and specific industries may, for instance, be excluded by the relevant UCI. Where enhanced ESG related due diligence is applied, it should also be considered how this might impact the timing/cost of making investment decisions.

The return and the performance of underlying fund may be impacted by sustainability risks embedded in their investments. Sustainability risks include any potential or actual material negative impact on the value of an investment as a result of an ESG event or an ESG condition.

## 2.2 Consideration of adverse sustainability impacts

The Management Company delegates the portfolio management function of the Sub-Fund to the Investment Manager and as such does not consider directly at its level adverse impacts of investment decisions on sustainability factors (PASI) according to Art. 4 of the SFDR.

At the date of this Prospectus, the Investment Manager continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors with respect to the Sub-Fund as set out in Art. 7 of the SFDR. In particular, the Investment Manager awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Art. 7 of the SFDR will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the Prospectus, as required.

## 3. SFTR REGULATION APPLICABLE TO THIS SUB FUND

The maximum proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

The current expected proportion of assets under management that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Buy-sell back transaction	0%
Sell-buy back transaction	0%
TRS	0%

## 4. CROSS SUB FUND INVESTMENTS

Cross Sub-Fund Investments can be applied under this Sub-Fund.

## 5. PROFILE OF THE TYPICAL INVESTOR

The Sub-Fund is suitable for investors who seek long-term growth through capital appreciation and are interested in diversifying mix of equities and bonds with a fundamental and trading oriented approach. The investor should be comfortable with a low to medium level of investment risk and understand the risks of investing in the stocks and bonds. It is suitable for investors who are willing to accept a maximum level of risk and who are willing to accept an investment horizon of at least five years.

## 6. REFERENCE CURRENCY

The reference currency is the Euro.

## 7. MINIMUM INITIAL SUBSCRIPTION

EUR 100'000 for class A.

## 8. MINIMUM HOLDING AMOUNT

No minimum holding amount foreseen.

## 9. FREQUENCY OF CALCULATION OF THE NET ASSET VALUE

The net asset value per Share is determined on each business day in Luxembourg (the “**Valuation Day**”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day (the “**NAV calculation day**”).

## 10. CLASSES OF SHARES AVAILABLE

The Sub-Fund issues classes of Shares of three classes depending on the category of the investors targeted:

<b>Class A</b>	Opened to all type of investors subject with a minimum initial subscription of EUR 100,000.
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## 11. INVESTMENT MANAGER

**Banca del Ceresio SA** is a company duly authorized to act as Investment Manager under the prudential supervision of the Swiss supervisory authority (FINMA) for collective investment schemes in and outside of Switzerland.

**Banca del Ceresio SA** has been appointed as Investment Manager of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 12. INVESTMENT ADVISOR AND GLOBAL DISTRIBUTOR

**Banca Galileo SpA** is a company duly authorized to provide for Investment Advisory services and distribution services under the prudential supervision of the Italian supervisory authority (Bank of Italy) for collective investment schemes in and outside of Italy.

**Banca Galileo SpA** has been appointed by Banca Del Ceresio SA as its Investment Advisor in the management of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

**Banca Galileo SpA** has been appointed by the Fund and the Management Company to act as Global Distributor of the Sub-Fund pursuant to an agreement which provides for the appointment to continue for an unlimited period of time from the date of its signature. It may be terminated by either party giving to the other not less than ninety (90) days prior written notice.

## 13. CHARGES AND FEES

<b>Front End Fee</b>	Not applicable
<b>Redemption Fee</b>	Not applicable

<b>Conversion Fee</b>	Not applicable
<b>Global Fee (Investment Management Fee)*</b>	<ul style="list-style-type: none"> <li>• <b>up to 0.3% p.a.</b> of the applicable net asset value for Class A Shares and payable quarterly on arrears.</li> </ul>
<b>Investment Advisory Fee**</b>	<ul style="list-style-type: none"> <li>• <b>up to 0.2% p.a.</b> of the applicable net asset value for Class A Shares and payable quarterly on arrears.</li> </ul>
<b>Global Distribution Fee***</b>	<ul style="list-style-type: none"> <li>• <b>up to 0.58% p.a.</b> of the applicable net asset value for Class A Shares and payable quarterly on arrears.</li> </ul>
<b>Performance Fee</b>	Not applicable

\* By derogation of the General Part of the Prospectus, this fee is intended to remunerate only the activity performed by the Investment Manager, Banca del Ceresio SA

\*\* By derogation of the General Part of the Prospectus, this fee is intended to remunerate the activity performed by the Investment Advisor, Banca Galileo SpA

\*\*\* By derogation of the General Part of the Prospectus, this fee is intended to remunerate the activity performed by the Global Distributor, Banca Galileo SpA and the distribution network

## 15. TAXE D'ABONNEMENT

The Sub-Fund is subject to a subscription tax at an annual rate which amounts to 0.05% of the net assets value of the Sub-Fund and is calculated and payable quarterly on the basis of the Sub-Fund's net asset value at the end of each quarter.

## 16. DIVIDENDS

No dividend payments will be made

## 17. GLOBAL EXPOSURE

In accordance with Section III, Chapter R Investment Restrictions, the Sub-Fund employs the "commitment approach", according to CSSF Circular 11/512 and article 47 of the CSSF Regulation 10/04, for determining the global exposure risk of the Sub-Fund.

Sub-Fund's total commitment to financial derivative instruments is limited to 100% of the Sub-Fund's total net assets, which is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage.