

The Directors of Vilhena Funds SICAV p.l.c. whose names appear on page 51 accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. The Directors accept responsibility accordingly.

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**PROSPECTUS**  
(the "Prospectus")

in respect of the permanent offer of Shares of  
in Sub-Funds, each being a segregated patrimony, in

**Vilhena Funds SICAV p.l.c.**  
(the "Company")

(An open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the Companies Act, Cap 386 of the Laws of Malta on the 10 October 1997 bearing Registration Number SV4 and licensed by the Malta Financial Services Authority as a collective investment scheme pursuant to the Investment Services Act, Cap 370. The Company qualifies as a 'Maltese UCITS' in terms of the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta).

**21 May 2026**

**Important Notice:** This Prospectus is to be read in conjunction with one or more Offering Supplements which may accompany this document when an offer of Investor Shares in any Sub-Fund takes place. An Offering Supplement may modify, supplement or exclude any terms or conditions stated in this Prospectus as applicable to the related Sub-Fund, as well as include terms and conditions which, although not included in this Prospectus, shall apply to the related Sub-Fund. The Company has also issued one or more Key Investor Information Documents in respect of every Sub-Fund.

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**VILHENA FUNDS SICAV P.L.C. (INCLUDING EACH OF ITS SUB-FUNDS) IS LICENSED AS A COLLECTIVE INVESTMENT SCHEME BY THE MALTA FINANCIAL SERVICES AUTHORITY ("MFSA") UNDER THE INVESTMENT SERVICES ACT (CAP. 370, LAWS OF MALTA) AND QUALIFIES AS A 'MALTESE UCITS' IN TERMS OF THE INVESTMENT SERVICES ACT (MARKETING OF UCITS) REGULATIONS (S.L. 370.18, LAWS OF MALTA). AUTHORISATION OF THE COMPANY AND ITS SUB-FUNDS BY THE MFSA DOES NOT CONSTITUTE A WARRANTY BY THE MFSA AS TO THE PERFORMANCE OF THE COMPANY AND ITS SUB-FUNDS AND THE MFSA SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY AND ITS SUB-FUNDS.**

**THIS PROSPECTUS IS A REVISED AND UPDATED VERSION OF THE PROSPECTUS DATED 1 OCTOBER 2025.**



APPROVED IN ACCORDANCE WITH ARTICLE 11 OF THE  
INVESTMENT SERVICES ACT CAP. 370

## **IMPORTANT INFORMATION**

### **Offering, solely on the basis of this Prospectus**

The Investor Shares are offered solely on the basis of the information and representations contained in this Prospectus and the Offering Supplement relating to a particular Sub-Fund which should accompany it. A Key Investor Document ("**KID**") will be provided free of charge to any prospective investor, however, prospective investors are cautioned that the Prospectus and any Offering Supplement should also be read in their entirety before making an application to acquire Investor Shares. Investors or prospective investors should only rely on the latest published version of the Prospectus and any Offering Supplement, a copy of which may be obtained free of charge upon request from the Administrator or from the Investment Manager.

If you are in any doubt about the contents of this Prospectus and the relevant Offering Supplement, you should consult an independent investment advisor.

No broker, dealer, salesman or other person has been authorised by the Company, its Directors, the Investment Manager, the Administrator or any Sub-Investment Managers to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares (as defined herein) other than those contained in this Prospectus, the relevant Offering Supplement and KID and in the documents referred to herein, in connection with the offer hereby made, and if given or made, such information or representations must not be relied upon as having been authorised by the Company, its Directors, the Investment Manager, the Administrator or any Sub Investment Managers. Any purchase or subscription made by any person on the basis of information or representations not contained in or inconsistent with the information or representations contained in this Prospectus, the Offering Supplements and any KID shall be solely at the risk of the investor.

Neither the delivery of this Prospectus, any Offering Supplement and any KID nor the offer, issue or sale of Investor Shares shall constitute a representation that the information given in this Prospectus, any Offering Supplement and any KID is correct as of any time subsequent to the date hereof. This Prospectus, any Offering Supplement and any KID may be amended from time to time.

Applications for the purchase of Shares are accepted only on the basis of the current Prospectus and Offering Supplements. Any person relying on the information contained in this Prospectus and the Offering Supplements, which was current at the date shown, should check with the Investment Manager that this document is the most current version and that no revisions have been made nor corrections published to the information contained in this Prospectus and the Offering Supplements since the date shown.

### **The Company – Status and Licensing**

The Company is organised under the laws of Malta as a multi-fund investment company with variable Share capital (SICAV) pursuant to the Companies Act. The Company may issue several Classes of Investor Shares which may, alone or jointly with other Classes of Investor Shares, constitute Sub-Funds. The Company and the Sub-Funds are licensed by the MFSA as collective investment schemes in Malta under the Investment Services Act. The Company qualifies as a 'Maltese UCITS' pursuant to the UCITS Regulations, which transpose the relevant provisions of the UCITS Directive. **The licensing of the Company does not constitute a warranty by the MFSA as to the performance of any of the Sub-Funds and the MFSA is not in any way liable for the performance or default of the Company or any Sub-Fund.**

## **Application to List Shares on any Regulated Market**

One or more Investor Shares of the Sub-Funds may have been listed and/or may be traded on a Regulated Market. Please refer to the Offering Supplement for further information as to whether the Investor Shares have been listed and/or are traded on a Regulated Market.

**The Listing Authority and the Malta Stock Exchange accept no responsibility for the contents of this Prospectus and the relevant Offering Supplement, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this Prospectus.**

## **Restricted Offer**

This Prospectus and any Offering Supplement and KID in respect of a Sub-Fund do not constitute, and may not be used for purposes of, an offer or invitation to subscribe for Shares by any person in any jurisdiction:

- (i) in which such offer or invitation is not authorised, or,
- (ii) in which the person making such offer or invitation is not qualified to do so, or,
- (iii) to any person to whom it is unlawful to make such offer or invitation.

It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile. Prospective applicants must also inform themselves of the income and other tax consequences which may apply in their own jurisdictions relevant to purchase, holding or disposal of Investor Shares. The Directors may from time to time declare categories of persons who do not qualify under applicable laws to purchase Investor Shares.

This Prospectus, any Offering Supplement and any KID may be translated into other languages and any such translation shall contain the same information and shall make the same statements as are included in the English version of the relative source documents. To the extent that there is any inconsistency between the English versions and the versions translated into any other language, then the English versions shall prevail except to the extent required by the laws of any jurisdiction where the Investor Shares are being offered.

The Shares have not been nor will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or under any State securities law and, except with the specific consent of the Directors, may not be offered or sold directly or indirectly, in the United States of America, its territories or possessions or any area subject to its jurisdiction (the "United States") or to any U.S. Person (as defined in Regulation S of such Act, as amended from time to time). In addition the Company will not be registered under the United States Investment Company Act of 1940 (the "**1940 Act**"), as amended and the investors will not be entitled to the benefits of the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment companies, if the Company has more than 100 beneficial owners of its securities who are U.S. Persons, it may become subject to the 1940 Act. The Directors will not accept any U.S. Persons nor market the units of any sub-fund of the Company to any U.S. Persons (as defined in the Foreign Account Tax Compliance Act provisions (also known as FATCA). However, the Directors

have the discretion to accept any U.S. Persons who are in the process of obtaining a Maltese citizenship.

### **Information Available to Investors**

A copy of the Prospectus, including any Offering Supplements, and any KID can be obtained from the Administrator or the Investment Manager.

The Company and its Sub-Funds are constituted under the Companies Act; consequently, the rules relating to the Company and its Sub-Funds as well as the rights of holders of Shares are set out in detail in the Memorandum and Articles. The latest Memorandum and Articles and the other documents are available for inspection by prospective investors during ordinary office hours at the registered office of the Administrator. Please refer to the Directory for relevant office addresses.

A copy of this Prospectus has been lodged with:

- (i) the Registrar of Companies in satisfaction of the requirements of Regulation 3 of the Investment Services Act (Prospectus of Collective Investment Schemes) Regulations (S.L. 370.04, Laws of Malta);
- (ii) the Malta Stock Exchange in satisfaction of the Listing Particulars for the Shares (where so listed), and with;
- (iii) the Listing Authority in satisfaction of the Listing Rules for the admission of the listing of the Shares (where so listed) on a Regulated Market.

### **Applicable Law**

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Malta and are subject to changes therein.

### **Risk Factors**

Investment in any of the Sub-Funds should be regarded as a long-term investment. Investment in any Sub-Fund carries risks normally attributable to investment in collective investment schemes of this type. Investors and potential investors in the Company and its Sub-Funds are invited to obtain individual professional advice where appropriate so as to be fully aware of how they may be affected financially by such risks. Investors should also inform themselves of, and consider carefully, the tax implications of investing in the Company and its Sub-Funds, of any laws, rules or regulations or conditions which could affect (by virtue, for instance, of the investor's domicile, residence or nationality) the investment return on these Sub-Funds, and the right to acquire, own or dispose of an investment in the Company. There can be no assurance that the Company's or its Sub-Fund's investment objectives will be achieved, and investment results may vary substantially over time. Prospective investors should be aware that the value of investments, as reflected in the NAV per Share, can go down as well as up.

Your attention is drawn to the section headed "*Risk Factors*" of this Prospectus and of the Offering Supplements. Prospective investors should carefully consider whether an investment in Investor Shares is suitable for them in the light of their circumstances and financial resources.

**NOTE:** This Prospectus replaces the Prospectus dated 1 October 2025 in its entirety. The master prospectus will contain general information about the Company and the Offering Supplements will contain information specific to each individual Sub-Fund.

### **Right to Refuse Any Subscription Application**

The Company may reject a Subscription Application for any reason and is not obliged to disclose the reason, or reasons, for so rejecting such Subscription Application.

## **STRUCTURE OF THIS DOCUMENT**

Due to the structure of the Company and the fact that several Classes of Investor Shares in the Sub-Funds may be offered, the Company has issued this Prospectus which includes general information in connection with the Company and several Offering Supplements, one for each Sub-Fund. The Investment Manager has issued and will issue one or more KIDs in relation to each Sub-Fund.

The Prospectus covers all the matters which are generally relevant and/or common to the Sub-Funds. The Offering Supplements contain specific information directly related to a Sub-Fund and the Classes of Investor Shares constituting that Sub-Fund. Each Offering Supplement forms an integral part of this Prospectus. Each KID will provide a summary of the essential characteristics of the Sub-Fund and any Classes forming the subject of such KID and the relevant parts of this Prospectus.

In the case of the Company constituting a new Sub-Fund, a new Offering Supplement and KID(s), dedicated to the particulars of that Sub-Fund, will be issued.

A prospective investor will be provided by the Company with a copy of the relevant KID free of charge before committing to invest. Both the Prospectus and the relevant Offering Supplement for the specific Sub-Fund are also available free of charge upon request from the Administrator or the Investment Manager. Any Offering Supplement should be read in conjunction with this Prospectus.

In the event of any inconsistency between the contents of this Prospectus and the contents of an Offering Supplement, unless otherwise expressly stated in this Prospectus, the contents of the Offering Supplement shall prevail in respect of the related Sub-Fund.

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| <b>Accounting Currency</b>       | EUR;   |
| <b>Accounting Period</b>         | Unless otherwise determined by the Directors, a financial period of the Company commencing on 1 May in each year and ending on 30 April in the following year;   |
| <b>Act</b>                       | the Investment Services Act (Cap. 370 of the Laws of Malta);   |
| <b>Accumulation Share</b>        | is a Share in respect of which the net income is to be accumulated and which represents an interest in such number (including fractions) of undivided parts in the net assets of the Sub-Fund to which it relates;   |
| <b>Administrator</b>             | BOV Fund Services Limited;   |
| <b>ADRs</b>                      | American depository receipts;  |
| <b>AML/CTF</b>                   | Anti-Money Laundering and Counter Terrorist Financing;   |
| <b>Approved Regulated Market</b> | A stock exchange or any other regulated market, which operates regularly, and is recognised and open to the public, has adequate liquidity and adequate arrangements in respect of the transmission of income and capital, and which has been approved by the MFSA. A list of the Approved Regulated Markets selected for the Company as of the date hereof appears in Appendix V of this Prospectus and, if any additional ones are selected in relation to a particular Sub-Fund, in the related Offering Supplement; updated lists are available by direct application to the Investment Manager; |
| <b>Articles</b>                  | the Articles of Association of the Company;  |
| <b>Article 6 Fund</b>            | A Sub-Fund of the Company which does not meet the criteria set out in Article 8 or Article 9 of SFDR;  |
| <b>Auditors</b>                  | the auditors for the time being of the Company;  |
| <b>Base Currency</b>             | The currency in which a Class of Shares is denominated; in respect of each Sub-Fund and the Classes of Investor Shares comprised within it, as stated in the related Offering Supplement;  |
| <b>Banker</b>                    | Bank of Valletta p.l.c.;   |
| <b>Banking Act</b>               | the Banking Act, 1994, Cap 371 of the Laws of Malta;   |
| <b>Board or Directors</b>        | the Board of Directors of the Company for the time being including any committee of the Board;   |
| <b>Business Day</b>              | a day on which banks are open for normal banking business in Malta (except Saturday) or such other day as the Directors may determine from time to time;   |
| <b>Class</b>                     | A class of Shares. A Class or Classes of Investor Shares may alone or together constitute a Sub-Fund and may have different rights from any other Class or Classes in the same Sub-Fund, as set forth in the relevant Offering Supplement;   |

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| <b>Cleared Funds</b>                     | Subscription monies that have been credited to the client money account of the Company and the relevant Sub-Fund maintained with the Custodian and made available for withdrawal;                               |
| <b>Collective Investment Scheme/ CIS</b> | A scheme having similar features as these specified in Article 2 of the Act and shall include any sub-Sub-Funds of such scheme;   |
| <b>Companies Act</b>                     | The Companies Act, Cap 386 of the laws of Malta;  |
| <b>Company or Scheme</b>                 | Vilhena Funds SICAV p.l.c. registered in Malta as a multi-fund investment company with variable Share capital bearing registration number SV4;  |
| <b>Company Secretary</b>                 | The person occupying the post of company secretary of the Company from time to time;  |
| <b>Custodian</b>                         | Bank of Valletta p.l.c.;  |
| <b>Custodian Agreement</b>               | The agreement entered into between the Custodian, the Company and the Investment Manager with respect to the custody and control of the assets of the Sub-Funds;  |
| <b>Dealing Day</b>                       | unless otherwise determined by the Directors, any day which is a Business Day that is a Subscription Day and/or a Redemption Day;   |
| <b>Directors</b>                         | The Directors of the Company;   |
| <b>Distribution Shares</b>               | means Shares in respect of which net income is to be distributed and which represent an interest in such number (including fractions) of undivided parts in the net assets of the Sub-Fund to which it relates; |
| <b>EEA</b>                               | The European Economic Area. Unless otherwise specified, references to the EEA and its member states shall encompass the EU and its member states;   |
| <b>ESG</b>                               | Environmental, social and governance hallmarks;   |
| <b>EU</b>                                | The European Union;   |
| <b>Euro or € or EUR</b>                  | the lawful currency of Malta and of the Euro Zone;  |
| <b>FDI</b>                               | a financial derivative instrument;  |
| <b>Financial Derivative Instruments</b>  | As is defined in the Investment Services Rules;   |

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| <b>GDRs</b>  | global depository receipts;   |
| <b>Government/Local/Regional Authorities or Agencies</b> | organisation that is responsible for the oversight and administration of specific functions, and which is established by either a national government or by a state government within a federal system; |
| <b>Initial Offering Period</b>                           | In relation to any particular Class of Investor Shares, the period specified in the related Offering Supplement during which such Investor Shares are offered at the Initial Offering Price;            |
| <b>Initial Offering Price</b>                            | The price at which Investor Shares will be offered during the Initial Offering Period. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details;         |
| <b>Investment Manager</b>                                | BOV Asset Management Limited, formerly known as Valletta Fund Management Limited;   |
| <b>Investment Management Agreement</b>                   | Any agreement which may be entered into between the Investment Manager and the Company relating to the engagement and responsibilities of the Investment Manager;                                       |
| <b>Investment Management Fee</b>                         | The investment management fee which may be payable to the Investment Manager, if any, as specified in the Offering Supplement of any Sub-Fund;  |
| <b>Investment Services Rules</b>                         | The rules issued by the MFSA in Part BII of the Investment Services Rules for Retail Collective Investment Schemes applicable to Maltese UCITS;   |
| <b>Investor Shares</b>                                   | Participating Shares of no par value, which may be divided into different Classes, and which may include fractions of a whole share. Investor Shares are issued in relation to a particular Sub-Fund;   |
| <b>Key Investor Information Document/ KID</b>            | The Key Investor Information Document containing salient information relating to a particular Sub-Fund or Class or Classes, as required by the UCITS Regulations;                                       |
| <b>Licence Conditions</b>                                | The conditions in the relevant licence issued by the MFSA to the Company and in respect of any Sub-Fund;  |

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| <b>Licensed Financial Intermediaries</b> | All the persons who or which are licensed by the MFSA and introduce business to the Company either directly or through the Investment Manager in connection with the purchase or sale of the Shares. These intermediaries include, without limitation, those listed in Appendix IV. The latest list of such intermediaries may be found on the Investment Manager's website, <a href="http://www.bovassetmanagement.mt">http://www.bovassetmanagement.mt</a> ; |
| <b>Listing Authority</b>                 | the Listing Authority established in terms of the Financial Markets Act (Cap.345 of the Laws of Malta);  |
| <b>mainly/predominantly/principally</b>  | any holding/s amounting to over 50% of a Sub-Fund's Net Asset Value or underlying Sub-Fund's net asset value;  |
| <b>Malta</b>                             | the Republic of Malta;   |
| <b>Malta Stock Exchange</b>              | the Malta Stock Exchange established by the Financial Markets Act (Cap. 345 of the laws of Malta);   |
| <b>Maltese UCITS</b>                     | A UCITS whose registered office and head office are situated in Malta, that is harmonised in accordance with the UCITS Directive and is licensed in terms of the ISA;  |
| <b>Member States</b>                     | the countries forming the European Union and Member State shall be construed as any one such country forming part of the European Union;   |
| <b>Memorandum and Articles</b>           | The Memorandum of Association of the Company and the Articles;   |
| <b>MFSA</b>                              | the Malta Financial Services Authority;  |
| <b>MFSA Rules</b>                        | Any guidelines, guides, or rules, issued by the MFSA, and any amendments to them from time to time in force, which may be applicable to the Company and the Sub-Funds (including, without limitation, the Investment Services Rules);  |
| <b>Minimum Additional Investment</b>     | The minimum amount or minimum value of Investor Shares for which an additional subscription by an existing Shareholder may be made. In relation to any particular Class of Investor Shares, see the related Offering Supplement;   |
| <b>Minimum Holding</b>                   | The minimum amount or minimum value of Investor Shares that must be held by any investor in a Sub-Fund. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details;   |
| <b>Minimum Initial Investment</b>        | The minimum amount or minimum value of Investor Shares for which an initial subscription may be made. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details;   |

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| <b>Money Market Instruments</b>                        | as this term is defined in the UCITS Directive;   |
| <b>NAV per Share</b>                                   | The NAV attributable to a Class of Investor Shares divided by the number of outstanding Investor Shares of that Class;  |
| <b>Net Asset Value</b>                                 | the net asset value ("NAV") of any Sub-Fund or per Share calculated in accordance with the Articles;  |
| <b>Offering</b>  | the offering of Investor Shares for subscription as described in this Prospectus and any Offering Supplement;   |
| <b>Offering Period</b>                                 | Subject to the terms of this Prospectus, the period during which Investor Shares will be made available at the Subscription Price. In relation to any particular Class of Investor Shares, see the related Offering Supplement for details;   |
| <b>Offering Supplement</b>                             | An offering document in relation to Investor Shares in a particular Sub-Fund of the Company, including all relevant appendices, amendments and exhibits to it, if any, as the same may from time to time be consolidated. In the event of any incompatibility between the terms of an Offering Supplement and this Prospectus, the terms of the Offering Supplement shall, to the extent of such incompatibility, prevail with respect to the related Sub-Fund; |
| <b>Officers</b>  | In relation to the Company includes a director, investment manager or company secretary of the Company;   |
| <b>Pricing Policy</b>                                  | In respect of each Sub-Fund, the pricing policy of the Company as acknowledged by the Administrator specifying the policies to be utilised when valuing the securities and other assets of that Sub-Fund;   |
| <b>Prospectus</b>                                      | this document in its entirety including any Offering Supplement, unless the context infers otherwise;   |
| <b>Public International Body or Supranational Body</b> | an international organization, or union, whereby member states transcend national boundaries or interests to share in the decision-making and vote on issues pertaining to the wider grouping;  |
| <b>Recently Issued Transferable Securities</b>         | securities in respect of which the terms of issue include an undertaking that application will be made for admission to official listing on an Approved Regulated Market and such admission is secured within a year of issue;  |
| <b>Redemption Day</b>                                  | A Business Day on which Shares may be redeemed by the Company.  |

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|--------------------------------------|---|
| <b>Redemption Form</b>               | the Company's official document on which application for redemption of shares in the Sub-Funds is made;   |
| <b>Redemption Notice</b>             | The form, a specimen of which is available from the Administrator, or from an Authorised Distributor, which has to be submitted to the Company by a Shareholder for the purposes of requesting a redemption of Investor Shares;   |
| <b>Redemption Price</b>              | The price at which Shares shall be redeemed, which shall be equivalent to the NAV per share on the relevant Valuation Day.  |
| <b>Redemption Proceeds</b>           | The Redemption Price multiplied by the number of Investor Shares being redeemed by the redeeming Shareholder, net of any applicable charges payable;  |
| <b>Register</b>                      | register in which are listed the names of Shareholders of the Company from time to time;  |
| <b>Regulated Market</b>              | as this term is defined under Directive 2004/39/EC  |
| <b>Relevant Institution</b>          | A credit institution which falls under one of the following categories: <ul style="list-style-type: none"> <li>i. a credit institution authorized in an EEA State (EEA);</li> <li>ii. a credit institution authorized within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); and</li> <li>iii. a credit institution authorized in the United Kingdom, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</li> </ul> |
| <b>Remitting Bank</b>                | The bank or financial institution from which a Subscriber's subscription monies are sent to the Company;  |
| <b>Settlement Date</b>               | In respect of receipt of monies for payment of subscription monies, the date(s) specified in the relevant Offering Supplement of the Sub-Fund;  |
| <b>SFDR or Disclosure Regulation</b> | Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector;   |
| <b>Shareholder/s</b>                 | a person/s who is/are registered as a holder of Shares in the Company;  |
| <b>Shares</b>                        | Shares of no nominal value issued in the capital of the Company, which may be designated in different classes with reference to one or more Sub-Funds;  |
| <b>SICAV Regulations</b>             | the relevant provisions of the Companies Act (Investment Companies with Variable Share Capital) Regulations (S.L. 386.02, Laws of Malta);   |

|  |  |
|--|--|
| <b>Sterling or GBP</b>                     | the lawful currency of the United Kingdom;   |
| <b>Sub-Fund</b>                            | Any class or classes of shares issued by the Company as constituting a distinct sub-fund of the Company;   |
| <b>Sub-Investment Manager</b>              | Such parties appointed by the Investment Manager from time to time, to act as sub-investment managers in relation to any of the Sub-Funds;   |
| <b>Sub Investment Management Agreement</b> | Any agreement which may be entered into between the Investment Manager and any Sub Investment Manager relating to the engagement and responsibilities of any appointed Sub Investment Manager;   |
| <b>Subscriber</b>                          | A person who has completed a Subscription Application for Investor Shares in a Sub-Fund of the Company;  |
| <b>Subscription Application</b>            | the Company's official document on which application for purchase of Investor Shares in a Sub-Fund is made;  |
| <b>Subscription Day</b>                    | A Business Day on which Shares may be issued by the Company;   |
| <b>Subscription Price</b>                  | The price at which Shares shall be acquired, which shall be equivalent to the NAV per share on the relevant Valuation Day;   |
| <b>Sustainable Investment</b>              | An investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance; |
| <b>Sustainability Risks</b>                | 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;  |

|                                |  |
|--------------------------------|--|
| <b>Taxonomy Regulation</b>     | Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;   |
| <b>Transferable Securities</b> | as this term is defined in the UCITS Directive;  |
| <b>UCITS Directive</b>         | Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast), as amended from time to time, and includes any implementing measures that have been or may be issued thereunder; |
| <b>UCITS Regulations</b>       | the relevant provisions of the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta);  |
| <b>UCITS Scheme</b>            | A scheme, falling within the scope of and authorised in terms of the UCITS Directive;  |
| <b>USD</b>                     | the lawful unit of account of the United States of America;  |
| <b>Valuation Day</b>           | Such Business Day when all assets and liabilities attributable to a Sub- Fund are valued;  |
| <b>Valuation Point</b>         | The point in time by reference to which the NAV and the NAV per Share of a Class is calculated as specified in the relevant Offering Supplement for the Sub-Fund, provided that a Valuation Point shall always be on a Business Day; and   |
| <b>VAT</b>                     | value added tax payable in Malta, a tax payable on the supply of goods and services at varying rates, or any other similar tax by whatever name called.  |

## **PRINCIPAL FEATURES**

### **Description of the Company**

The Company was incorporated on the 10 October 1997 and is organised under the laws of Malta as a multi-fund investment company with variable share capital (SICAV) pursuant to the Companies Act. The Company is regulated as a Collective Investment Scheme under the Act and its Sub-Funds are licensed by the MFSA.

On the 6 July 2007, the Company and its existing Sub-Funds were granted the status of a UCITS Scheme. Each Sub-Fund shall be required to invest solely in the instruments listed under the section entitled "*Permissible Investments*" and shall be subject to the investment restrictions listed under the section '*General Investment Restrictions*'.

The Company has appointed the Investment Manager to provide management and administration services to the Company and each of the Sub-Funds. The Investment Manager has delegated the administration function to the Administrator, a fund administrator, registrar and transfer agent recognised by the MFSA in terms of the Act. The Investment Manager may, subject to applicable rules, delegate the investment management in respect of certain Sub-Funds to a third party – in this regard, the Offering Supplement will contain the necessary information and disclosures on the said delegation, if any.

### **The Shares**

As the Company is an umbrella fund, the Directors are empowered through the Memorandum and Articles to create different Sub-Funds, constituted by one or more classes of Shares, and with each Sub-Fund representing a separate portfolio of the Company with its own distinct investment objective and policies and constituting a separate patrimony in terms of the SICAV Regulations. Accordingly, the assets and liabilities of each Sub-Fund of the Company shall be treated, for all intents and purposes of law, as a patrimony separate from the assets and liabilities of each other Sub-Fund of the Company.

Notwithstanding the foregoing, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and in such circumstances the assets of one Sub-Fund may be exposed to the liabilities of another. There is no guarantee that the courts of any jurisdiction outside Malta will respect the limitations on liability associated with segregated account companies. The Directors will hold or cause to be held such separate accounts, records, statements and other documents as may be necessary to evidence the liabilities and assets of each Sub-Fund as distinct and separate from the assets and liabilities of all the other Sub-Funds. If classes of Investor Shares are issued in the same Sub-Fund, all assets and liabilities of each such class of Investor Shares would form part of the total assets and liabilities of the Sub-Fund of which such a class of Investor Shares forms part.

The Company may issue Accumulation Shares or Distribution Shares in respect of each Sub-Fund, details of which shall be contained in the respective Offering Supplement. In the case of Accumulation Shares, the whole of the Sub-Fund's net income (if any), after expenses, will be rolled back into the Sub-Fund and reflected in the price of Shares of such Sub-Fund. In the case of Distribution Shares, part or all of the net income (if any), after expenses, attributable to the Distribution Shares may be distributed to holders thereof by way of dividend in the Offering Supplement.

Detailed procedures of how to buy, sell and switch Shares are set out below in the section entitled "*Buying, Selling and Switching*". Further information about the Shares and the Company is also set out in the section entitled "*General Information*".

It is the current intention that the Sub-Funds will be marketed solely in Malta. However, such current intention may be changed at any time at the sole discretion of the Directors. Details of any other Member State(s) that the Sub-Funds will be marketed in will be accordingly reflected in an update to the respective Offering Supplement.

### **Offer Documents**

The Offer of Investor Shares in any Sub-Fund of the Company is governed by this Prospectus as the same may be amended and updated from time to time.

The Investment Manager has also issued an Offering Supplement and one or more KIDs in respect of the existing Sub-Funds.

When Investor Shares in other Sub-Funds are issued in the future, this Prospectus will be accompanied by an Offering Supplement for each new Sub-Fund. The Investment Manager will also issue one or more KIDs in respect of new Sub-Funds.

### **New Classes**

The Company may issue new Classes of Investor Shares which may be constituted as segregated Sub-Funds or new Classes of Investor Shares within existing Sub-Funds, which may be designated in various currencies. The assets of the said Sub-Funds may be managed utilising different strategies or methodologies, or by investing in different markets.

This Prospectus is to be at all times accompanied by an Offering Supplement for the relevant Sub-Fund which is the subject of the Offering. Offerings in other Sub-Funds may be made again in the future. Information about Sub-Funds other than the ones referred to in this Prospectus may be obtained from the Administrator.

### **Dividend Policy**

Except where otherwise stated in the Offering Supplement of any particular Sub-Fund, it is not envisaged that any income or gains will be distributed by the Company to its Shareholders, and the Company will accumulate all income received from its investments, which income will be reflected in the NAV of the Investor Shares.

Under the Memorandum and Articles, and where provided for under the relevant Offering Supplement, the Directors may declare dividends out of a Sub-Fund from the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses, provided that the amount of dividends so declared should be determined in conformity with any requirements imposed by the MFSA in terms of the Act, the MFSA Rules and the Licence Conditions.

Where applicable, the Company will be obliged and entitled to deduct an amount in respect of Malta tax from any dividend payable to a Shareholder in any Sub-Fund who is or is deemed to be taxable in Malta, and to pay such sum to the Malta tax authorities – please refer to the Section entitled "Taxation" below for further details.

Shareholders should note that the NAV per Share of certain classes of Investor Shares in a Sub-Fund may decrease over time as the Company declares and pays dividends to the holders of such Investor Shares.

## **The Offering**

Subject only to the maximum number of Investor Shares specified in the Memorandum and Articles which are at the relevant time available for issue, not being exceeded, the Company may, at its sole discretion, accept Subscription Applications for Investor Shares at any time.

Investor Shares will be offered by means of Offering Supplements at the relevant Initial Offering Price during the Initial Offering Period, and thereafter, on each Subscription Day at the Subscription Price.

Subscription monies and a fully completed Subscription Application and any accompanying documents have to reach the Company at the office of the Administrator no later than the time provided for in the Offering Supplement for the related Sub-Fund. The Directors may waive such notice period at their discretion. Subscription monies must be received in Cleared Funds no later than the Settlement Date.

The Company is entitled to close the Offering Period for any class of Investor Shares in a Sub-Fund at its sole discretion.

## **Pricing**

The calculation of the NAV of each class of Investor Shares in a Sub-Fund shall be affected by the Administrator at such intervals and as at such Valuation Points and in such manner as is stated in this Prospectus, Pricing Policy and the Offering Supplement relating to the particular Sub-Fund.

Information regarding the NAV per Share, Subscription Price and Redemption Price, as determined as at each Valuation Point, will ordinarily be made available at the office of the Administrator and in other public mediums as may apply to a particular Sub-Fund. See the related Offering Supplement for details.

## **Minimum Holding in Sub-Funds**

The Offering Supplement of each Sub-Fund will give details of the minimum number or value of Investor Shares that shall be held in each Sub-Fund. The Directors may waive the Minimum Holding at their discretion.

The Minimum Holding requirement applies at all times to all Shareholders, however no obligations shall arise upon a Shareholder should the NAV of a holding reduce to less than the Minimum Holding as a result of fluctuation of the underlying assets.

## **Minimum Initial Investment for Investor Shares in the Sub-Funds**

The Offering Supplement will give details of the Minimum Initial Investment for Investor Shares in any Sub-Fund, subject to the Minimum Holding limit described above. The Directors may waive the Minimum Initial Investment at their discretion.

## **Minimum Additional Investment**

The Offering Supplement will also give details of the Minimum Additional Investment for Investor Shares in any Sub-Fund, subject to the Minimum Holding limit described above. The Directors may waive the Minimum Additional Investment at their discretion.

## **Subscription Applications**

Investor Shares may be acquired on any Subscription Day, as is described in this Prospectus.

Subscription Applications for Investor Shares may be submitted to the Company at the office of the Administrator, whether directly or through Authorised Distributors, in the prescribed form, a copy of which is available from the Administrator or from an Authorised Distributor.

Subscription Applications can only be accepted if they are received in original by the Company at the office of the Administrator, within the deadlines stated in the related Offering Supplement. Further, the subscription amounts are to be received in Cleared Funds by not later than the relevant Settlement Date. See the part entitled "Purchase of Shares" under the Section entitled "Purchase, Exchange and Transfer of Investor Shares" for further details.

### **Redemption**

Investor Shares may be redeemed on any Redemption Day, as is described in this Prospectus.

A redemption request must be received in original by the Company at the office of the Administrator with such prior notice before the relevant Redemption Day as may be stated in the Offering Supplement for the related Sub-Fund. Redemption requests received after such date will be processed on the following Redemption Day, provided that the Directors may accept, at their sole discretion, a shorter notice.

### **Accounting Currency**

For the purposes of the compilation of the annual financial statements of the Company, the reporting currency for the Company shall be the Accounting Currency.

## **INVESTMENT OBJECTIVES, POLICIES & RESTRICTIONS**

The Company is an investment vehicle designed specifically to achieve different investment objectives through its individual Sub-Funds. Each Sub-Fund will adopt a distinct strategy with different levels of expected risk and return, in respect of one or more markets or investment instruments, or of one or more groups of markets or investment instruments.

Details on the investment objectives, policies and restrictions of each Sub-Fund are found in the relevant Offering Supplement.

The Directors may, at their sole discretion, alter any of the Sub-Funds' investment policies and investment restrictions, provided that any material change thereof shall be notified to Shareholders of the respective Sub-Funds. Any changes to the investment policies and restrictions as well as any other changes to this Prospectus require the prior approval of the MFSA. At any time, the investment objective of the respective Sub-Fund will only be changed with the approval of the Shareholders of that Sub-Fund.

The Sub-Funds of the Company consist of:

- Vilhena Euro Income Fund
- Vilhena European Multi-Manager Fund
- Vilhena US Multi-Manager Fund
- Vilhena Global Themed Fund
- Vilhena High Yield Fund
- Vilhena Malta Bond Fund
- Vilhena Malta Fund
- Vilhena Malta Government Bond Fund
- Vilhena Maltese Opportunities Fund
- Vilhena Sterling Income Fund

### **Adherence to Investment Objectives, Policies and Restrictions**

Each Sub-Fund shall observe its Investment Objectives, Policies and Restrictions. The investment restrictions are subject to the qualifications and certain exemptions contained in the MFSA Rules and in the Licence Conditions. Any additional investment restrictions for particular Sub-Funds will be formulated by the Directors at the time of the creation of such Sub-Funds and will be stated in the relevant Offering Supplement.

The Directors may from time to time impose such further restrictions as shall be compatible with or in the interest of the Shareholders, including in order to comply with the laws and regulations of the countries where Shareholders are resident.

### **Breaches of Investment Restrictions**

The following shall apply in the event of inadvertent breach of the Sub-Fund's investment restrictions:

- i. without prejudice to the duty of the Sub-Fund to comply with its investment restrictions and to ensure that such restrictions are not contravened as a direct result of any acquisition of its underlying assets, if one or more of a Sub-Fund's investment restrictions are at any time contravened for reasons beyond the control of the Investment Manager or the Scheme or as a result of subscription rights, the Investment Manager or the Scheme shall take such steps as are necessary to ensure a restoration of compliance with such restriction(s) as soon as is reasonably practicable having regard to the interests of the unit-holders

and, in any event, within the period of six months beginning on the date of discovery of the contravention of such restriction(s).

- ii. forthwith upon the Custodian becoming aware that circumstances of a kind described above have arisen, the Custodian be required to take such steps as are necessary to ensure that the Scheme or Investment Manager comply with the requirement imposed by (i) above.
- ii. A contravention of an investment restriction which may arise due to the circumstances outlined in (i) above is not considered a breach of a licence condition and is not subject to the requirement to notify the MFSA. However, where the contravention is not remedied by the Investment Manager or Scheme within the maximum six month period stipulated in (i) above, a breach of the applicable MFSA rules is deemed to arise and the relevant notification requirements apply.

### **Permissible Investment Instruments**

The investments of the Sub-Funds shall, subject to the respective Sub-Funds' investment objectives and investment policies, consist solely of any or all of the following:

- i. Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market within the meaning of Article 4(1) of the Markets in Financial Instruments Directive (Directive 2004/39/EC); and/or
- ii. Transferable Securities and Money Market Instruments dealt in on another regulated market in a Member State which operates regularly and is recognized and open to the public; and/or
- iii. Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State or dealt in on another regulated market in a non-Member State which operates regularly and is recognized and open to the public provided that the choice of stock exchange or market has been approved by the MFSA or is provided for in the Scheme's full Prospectus or the Scheme's Constitutional Documents; and/or
- iv. Recently Issued Transferable Securities provided that:
  - a. the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognized and open to the public, provided that the choice of stock exchange or market has been approved by the MFSA or is provided for in the Scheme's full Prospectus or the Scheme's instruments of incorporation;
  - b. such admission is secured within a year of issue; and/or
- v. units of other UCITS Schemes authorised in terms of the UCITS Directive and/or other collective investment schemes falling within the definition of a UCITS Scheme, should they be situated in a Member State or not, provided that:
  - a. such other collective investment schemes are authorised under laws which provide that they are subject to supervision considered by MFSA to be equivalent to that laid down in Community law, and that co-operation between authorities is sufficiently ensured;
  - b. the level of protection for unit-holders in such other collective investment schemes is equivalent to that provided for unit-holders in a UCITS Scheme, 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 the UCITS Directive;

c. the business of the other collective investment schemes is reported in half yearly and annual reports to enable investors to assess the assets and liabilities, income and operations over the reporting period;

d. no more than 10 per cent of the assets of the UCITS Schemes or of the other collective investment schemes whose acquisition is contemplated, can, according to their full Prospectus or instruments of incorporation, be invested in aggregate in units of other UCITS Schemes or other collective investment schemes; and/or

vi. 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 Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by MFSA as equivalent to those laid down in Community Law; and/or

vii. Financial Derivative Instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in paragraphs (i), (ii) and (iii) above; and/or Financial Derivative Instruments dealt in over-the-counter ("OTC derivatives") provided that:

a. the underlying consists of instruments covered by this INVESTMENT LIMIT, financial indices, interest rates, foreign exchange rates or currencies, in which the Scheme may invest according to its investment objectives and stated in its full Prospectus or instruments of incorporation;

b. the counterparties to OTC-derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the MFSA according to the criteria set out in 5.23; and

c. 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 Scheme's initiative; and/or

viii. Money Market Instruments, other than those dealt in on a regulated market, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

a. issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or

b. issued by an undertaking any securities of which are dealt on regulated markets referred to in paragraphs (i), (ii) or (iii) above; or

c. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the MFSA to be at least as stringent as those laid down by Community law; or

d. issued by other bodies falling within the categories which the MFSA may from time to time prescribe, provided that investments in such instruments are subject

to investor protection equivalent to that laid down in (a), (b) or (c) above and provided that the issuer:

- is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC;
- is an entity, within a group of companies, which includes one or several listed companies, is dedicated to the financing of the group; or
- is an entity, which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

The Scheme may acquire movable and immovable property which is essential for the direct pursuit of its business. The Scheme may not acquire precious metals or certificates representing them.

The Transferable Securities, Money Market Instruments and Financial Derivative Instruments referred to under this section fulfils SLCs 4.4 to 4.18 listed under the Investment Services Rules.

The investors' attention is drawn to the investment policies of the Sub-Funds in the relevant Offering Supplement for more information on what investments the relevant Sub-Fund shall invest in.

## **General Investment Restrictions**

### Ancillary Liquid Assets

The Sub-Funds may hold ancillary liquid assets irrespective of its investment objective and policy.

### Investments in Transferable Securities and Money Market Instruments

- 1.1.1 A Sub-Fund may not invest more than 10% of its assets in Transferable Securities and Money Market Instruments other than those referred to in the Section 0 above.
- 1.1.2 A Sub-Fund shall not invest more than 5% of its assets in Transferable Securities or Money Market Instruments issued by the same body.

This 5% limit may be raised to a maximum of 10% of a Sub-Fund's assets. Provided that the total value of securities held in bodies in which it invests more than 5%, is less than 40%. This limitation does not apply to deposits and OTC-derivative transactions made with financial institutions subject to prudential supervision.

For the purposes of determining the 40% limit, the Transferable Securities and Money Market Instruments referred to in the next two paragraphs of this section 4.2.2 below, shall not be taken into account.

The limit of 5% in the first paragraph of this section 4.2.2 may be raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State, or by its local authorities, by a non-Member State or by public international bodies to which one or more Member States belong. Provided that this limit may be waived in accordance with section 4.2.3 below.

The limit of 5% in the first paragraph of this section 4.2.2 may be raised to a maximum of 25% in the case of certain bonds when these are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of these bonds shall be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. Provided that when a Sub-Fund invests more than 5% of its assets in the bonds referred to above and issued by one issuer, the total value of these bonds may not exceed 80% of the value of the assets of a Sub-Fund.

1.1.3 By way of derogation from sections 4.2.2., 4.7.1 and 4.7.2, the MFSA may authorize a Sub-Fund to invest in accordance with the principle of risk-spreading up to 100% of its assets in different Transferable Securities or Money Market Instruments issued or guaranteed by any Member State, its local authorities, a non-Member State or public international bodies of which one or more Member States are members, provided it is satisfied that unit-holders in the Sub-Fund have protection equivalent to that of unit-holders in a Sub-Fund complying with the limits laid down in 4.2.2., 4.7.1 and 4.7.2. to 4.7.4. The following conditions shall apply:

- i. the Sub-Fund shall be required to hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of its total assets;
- ii. the Sub-Fund shall be required to disclose in the Prospectus or Offering Supplement the names of the States, local authorities or public international bodies issuing or guaranteeing securities in which it intends to invest more than 35% of its assets.; and
- iii. the Scheme shall be required to ensure that the Prospectus or Offering Supplement and any promotional material shall include a prominent statement drawing attention to such authorization and indicating the States, local authorities and/ or public international bodies in the securities of which it intends to invest or has invested more than 35% of its assets.

#### Deposits with Credit Institutions

Not more than 20% of the assets of a Sub-Fund shall be kept on deposit with any one body.

#### Transactions in Financial Derivative Instruments

1.1.4 A Sub-Fund may transact in Financial Derivative Instruments as long as:

- i. the transaction involves Financial Derivative Instruments of the kind specified in section 3 para (vii);
- ii. the transaction in the Financial Derivative Instrument does not cause a Sub-Fund to diverge from its investment objective.

1.1.5 A Sub-Fund's maximum exposure to one counterparty in an OTC-derivative transaction shall not be more than 5% of the value of the assets of a Sub-Fund. This limit may be increased to 10% in respect of OTC-derivative transactions made with a counterparty which is a credit institution as described in Section 3 para (vi). The exposure per counterparty of an OTC-derivative shall be measured

on the basis of the maximum potential loss incurred by the Scheme if the counterparty defaults.

- 1.1.6 The exposure to one counterparty in an OTC-derivative transaction may be reduced where the counterparty provides the Sub-Fund with collateral which satisfies the criteria laid out in section 9 to Appendix VI of the Investment Services Rules.
- 1.1.7 The Scheme may net the mark-to-market value of its OTC-derivative positions with the same counterparty, thus reducing the Scheme's exposure to its counterparty, provided that the Scheme has a contractual netting agreement with its counterparty which creates a single legal obligation such that, in the event of the counterparty's failure to perform owing to default, bankruptcy, liquidation or any other similar circumstance, the Scheme would have a claim to receive or an obligation to pay only the net sum of the positive and negative mark-to-market values of included individual transactions.
- 1.1.8 Derivative transactions which are performed on an exchange where the clearinghouse meets the following conditions shall be deemed to be free of counterparty risk:
- i. is backed by an appropriate performance guarantee;
  - ii. is characterised by a daily mark-to-market valuation of the derivative positions; and
  - iii. is subject to at least daily margining.
- 1.1.9 A Sub-Fund may employ techniques and instruments for the purpose of efficient portfolio management which include the use of Transferable Securities and Money Market Instruments. These operations may concern the use of Financial Derivative Instruments.
- 1.1.10 The reference in section 4.4.6 to techniques and instruments which relate to Transferable Securities and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
- i. they are economically appropriate in that they are realised in a cost-effective way;
  - ii. they are entered into for one or more of the following specific aims:
    - a. reduction of risk; or
    - b. reduction of cost; or
    - c. generation of additional capital or income for the Scheme with a level of risk which is consistent with the risk profile of the Scheme and the risk diversification rules laid down in sections 4.2.2, 4.7.1 and 4.7.2 to 4.7.4; and
  - iii. their risks are adequately captured by the risk management process of the Scheme or its Investment Manager.

Techniques and instruments which comply with the criteria set out in this section 4.4.7 and which relate to Money Market Instruments shall be regarded as techniques and instruments relating to Money Market Instruments for the purpose of efficient portfolio management.

1.1.11 A Sub-Fund shall ensure that its global exposure relating to Financial Derivative Instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account:

- i. the current value of the underlying asset;
- ii. the counterparty risk;
- iii. future market movements; and
- iv. the time available to liquidate positions.

The Scheme's overall risk exposure may not exceed 200% of its NAV on a permanent basis.

The Scheme's total/global exposure relating to Financial Derivative Instruments should be assessed in line with the requirements included in the Risk Management Process of the Scheme.

1.1.12 Where a Sub-Fund invests in Financial Derivative Instruments as part of its investment policies and within the limits established by section 4.7.2 to 4.7.4, the exposure to the underlying assets shall not exceed in aggregate the limits in sections 4.2.2, 4.7.1 and 4.7.2 to 4.7.4. The exposure to the underlying assets should be calculated using the Commitment Approach as indicated in the Risk Management Process of the Scheme.

1.1.13 Subject to MFSA approval, where the Scheme invests in an index based Financial Derivative Instrument, provided the relevant index meets the criteria in SLC 4.14 of the Investment Services Rules and section 4.8 for approval of indices by the MFSA, these investments do not have to be combined to the limits laid down in 4.2.2, 4.7.1 and 4.7.2 to 4.7.4.

1.1.14 Where a Transferable Security or Money Market Instrument embeds a Financial Derivative Instrument, this derivative transaction shall be taken into account for the purposes of complying with the limits in sections 4.4.1 and 4.4.6 to 4.4.10. The exposure to the underlying assets should be calculated using the VAR Approach as indicated in the Risk Management Process of the Scheme. In cases where this approach is not relevant or technically impossible, due to the complexity of the concerned Financial Derivative Instrument, the Scheme may use an approach based on the maximum potential loss linked to that Financial Derivative Instrument.

The reference in this paragraph to Transferable Securities embedding a Financial Derivative Instrument shall be understood as a reference to financial instruments which fulfil the criteria set out in SLC 4.4 of the Investment Services Rules and which contain a component which fulfils the following criteria:

- i. by virtue of that component some or all of the cash flows that otherwise would be required by the Transferable Security which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone Financial Derivative Instrument;
- ii. its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
- iii. it has a significant impact on the risk profile and pricing of the Transferable Security.

Money Market Instruments which fulfil one of the criteria set out in SLC 4.5(i) and all the criteria set out in 4.5(ii) of the Investment Services Rules and which contain a component which fulfils the criteria set out in the second paragraph of this investment limit shall be regarded as Money Market Instruments embedding a Financial Derivative Instrument.

A Transferable Security or a Money Market Instrument shall not be regarded as embedding a Financial Derivative Instrument where it contains a component which is contractually transferable independently of the Transferable Security or the Money Market Instrument. Such a component shall be deemed to be a separate financial instrument.

1.1.15 A Sub-Fund shall only enter into transactions for direct investment in Financial Derivative Instruments or for efficient portfolio management/ hedging by means of Financial Derivative Instruments with counterparties who:

- i. are not the Investment Manager or Custodian of the Scheme; and
- ii. form part of a group whose head office or parent company is licensed, registered or based in Malta, any member of the OECD, the EU or the EEA and is subject to prudential supervision in accordance with provisions equivalent to Directive 93/6/EEC or Directives 73/239/EEC and 79/267/EEC as amended; and
- iii. have a credit rating of at least A (Standards & Poor's) or A2 (Moody's) or such other rating acceptable to MFSA.

In the case of OTC transactions, such counterparty shall satisfy the Investment Manager or the Scheme that it has:

- i. agreed to value the transaction at least weekly; and
- ii. will close out the transaction at the request of the Investment Manager or the Scheme at fair value.

1.1.16 When a Sub-Fund holds a Financial Derivative Instrument which automatically or at the Scheme's discretion, requires cash settlement on maturity or exercise, the Scheme does not necessarily have to hold the underlying instrument as cover. In such case, the following categories may be acceptable as cover:

- i. cash;
- ii. liquid debt instruments (e.g. government bonds of first credit rating) prudently adjusted by appropriate haircuts (minimum of 5%); and
- iii. other highly liquid assets which are correlated with the underlying of the Financial Derivative Instruments, prudently adjusted by appropriate haircuts (minimum 5%).

The level of cover should be calculated using the VAR Approach as indicated in the Risk Management Process of the Scheme. The assets held for cover should consist solely of instruments listed in section 3 and should be compliant with the investment policies of the Scheme.

For the purposes of the above, the instruments held as cover should be considered as 'liquid' when they can be converted into cash at no more than 7 business days at a price closely corresponding to the current valuation of the financial instrument. It has to be ensured that the respective cash amount is at the Scheme's disposal at the maturity / expiry or exercise date of the Financial Derivative Instrument.

1.1.17 When the Scheme holds a Financial Derivative Instrument which automatically or at the counterparty's discretion, requires the physical delivery of the underlying financial instrument, on maturity or exercise, the Scheme has to hold the underlying instrument as cover at all times. However, the Scheme may alternatively cover the exposure with sufficient liquid assets provided that the following requirements are satisfied:

- i. the risks of the underlying can be appropriately represented by another financial instrument; and/ or
- ii. the underlying financial instrument is highly liquid; and/or
- iii. the liquid assets held as cover can be used at any time to purchase the underlying financial instrument to be delivered; and/ or
- iv. the additional risk associated with the transaction referred to in paragraph (iii) above are adequately covered by the Risk Management Process of the Scheme or the Investment Manager.

The level of cover should be calculated using the Commitment Approach as indicated in the Risk Management Process of the Scheme. The assets held for cover should consist solely of instruments listed in section 3 and should be compliant with the investment policies of the Scheme.

For the purposes of the above, the instruments held as cover should be considered as 'liquid' when they can be converted into cash at no more than 7 business days at a price closely corresponding to the current valuation of the financial instrument. It has to be ensured that the respective cash amount is at the Scheme's disposal at the maturity / expiry or exercise date of the Financial Derivative Instrument.

The MFSA may authorise a Sub-Fund to employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits which the MFSA lays down provided that such techniques and instruments are used for the purpose of efficient portfolio management. These operations concern the use of derivative instruments. The criteria for the use of such techniques and instruments shall be agreed with the MFSA in advance.

#### Risk Management Process

The investment limits as applicable in respect of the Sub-Funds' Risk Management Process outlined in the Investment Services Rules from 5.26 to 5.33 are more fully described in the Risk Management Process of the Scheme which is available upon request.

#### Uncovered Sales

The Scheme may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments referred to in Section 3 para (v), (vii) and (viii). Uncovered sales are all transactions in which the Scheme is exposed to the risk of having to buy securities at a higher price than the price at which the securities are delivered, thus making a loss, and the risk of not being able to deliver the underlying for settlement at the time of the maturity of the transaction.

#### Single Issuer Exposures

1.1.18 Notwithstanding the individual limits laid down in the first paragraph of section 4.2.2, and sections 4.3 and 4.4.2, 5.6, 5.12, and 5.14, the Scheme may not combine:

- i. investments in Transferable Securities or Money Market Instruments issued by; and
- ii. deposits made with; and
- iii. counterparty exposures arising from OTC-derivative transactions undertaken with; and
- iv. other exposures arising from OTC-derivative transactions relating to;

a single body in excess of 20% of its Net Assets.

1.1.19 The limits provided for in the first, second, fourth and fifth paragraphs of section 4.2.2, sections 4.3 and 4.4.2 and 4.7.1 may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body or in deposits or Financial Derivative Instruments made with this body carried out in accordance with the above-mentioned shall under no circumstances exceed in total 35% of the assets of a Sub-Fund.

1.1.20 Companies which are included in the same group for the purposes of consolidated accounts as defined in Directive 83/349/EEC in accordance with recognized international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in sections 4.2.2, 4.3, 4.4.2, 4.7.1 and 4.7.2 to 4.7.4.

1.1.21 Subject to approval by MFSA, a Sub-Fund may effect a cumulative investment in Transferable Securities and Money Market Instruments within the same group up to a limit of 20%.

#### Investments in Shares and Bonds for Tracking an Index

Without prejudice to the limits laid down in sections 4.9.7 to 4.9.9, the limits laid down in the first and second paragraphs of section 4.2.2 may be raised to a maximum of 20% for investment in shares and/or debt securities issued by the same body, where the investment policy of the Scheme as stated in this most recently published Prospectus, is to replicate the composition of a certain stock or debt securities index which is recognised by the MFSA, on the following basis:

- i. its composition is sufficiently diversified in that it complies with the risk diversification rules in this Investment Limit;
- ii. the index represents an adequate benchmark for the market to which it refers, in that the index provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers; and
- iii. it is published in an appropriate manner, in that the index fulfils the following criteria:
  - a. it is accessible to the public; and
  - b. the index provider is independent from the Scheme.
 Point (b) shall not preclude index providers and the Scheme forming part of the same economic group, provided that effective arrangements for the management of conflicts of interest are in place.

The above 20% limit may, subject to MFSA approval, be raised to a maximum of 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. The investment up to this limit is only permitted for a single issuer.

The reference in this INVESTMENT LIMIT to "replicate the composition of a certain stock or debt securities index" shall be understood as a reference to the replication of the

composition of the underlying assets of an index, including the use of Financial Derivative Instruments or other techniques and instruments as referred to in sections 4.4.6 and 4.4.7.

#### Investments in Other UCITS and / or Other Collective Investment Schemes

1.1.22 A Sub-Fund may acquire the units of a UCITS and/or other collective investment schemes referred to in section 3 para (v), provided that no more than 20% of its assets are invested in units of a single UCITS or other collective investment scheme.

Moreover, when a Sub-Fund invests in another UCITS and/or other CIS, such underlying schemes shall, as far as practicable, be valued with the same frequency as the Sub-Fund.

1.1.23 Investments made in units of collective investment schemes other than UCITS, may not exceed, in aggregate, 30% of a Sub-Fund's assets.

1.1.24 Subject to MFSA approval. where a Sub-Fund has acquired units of UCITS and/or other collective investment schemes, the assets of the respective UCITS or other collective investment schemes do not have to be combined for the purposes of the limits laid down in sections 4.2.2, 4.3, 4.4.2, 4.7.1 and 4.7.2 to 4.7.4.

1.1.25 When the Scheme invests in the Units of another UCITS and/or other collective investment schemes that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager 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 collective investment schemes.

1.1.26 Where a commission is received by the Investment Manager by virtue of an investment in the Units of another Scheme, that commission shall be paid into the property of the Sub-Fund.

1.1.27 When a Sub-Fund invests a substantial portion of its assets in the units of another UCITS and/or other CISs, the maximum level of management fees that may be charged to such underlying schemes will, currently, not exceed 2.50% per annum of the net assets of such schemes.

1.1.28 The Scheme or the Investment Manager, taking into account all of the schemes which the latter manages, shall not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of the issuer.

1.1.29 The Scheme may acquire no more than:

- i. 10% of the non-voting shares of any single issuing body;
- ii. 10% of the debt securities of any single issuing body;
- iii. 25% of the units of any single UCITS and/or other collective investment schemes within the meaning of Article 1(2) (a) and (b) of the UCITS Directive; and
- iv. 10% of the Money Market Instruments of any single issuing body.

The limits laid out in (ii), (iii) and (iv) 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 the securities in issue, cannot be calculated.

1.1.30 Subject to MFSA approval. the restrictions in 4.9.7 and 4.9.8 above may be waived as regards:

- i. Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- ii. Transferable Securities and Money Market Instruments guaranteed by non-Member States;
- iii. Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
- iv. shares held by the Scheme in the capital of a company incorporated in a non-Member State investing its assets Mainly in securities of issuing bodies having their registered offices in that State, where, under the legislation of that State, such a holding represents the only way in which the Scheme can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policies, the company from the non-Member State complies with the limits laid down in 4.2.2, 4.3, 4.4.2, 4.7.1, 4.7.2 to 4.7.4, 4.9.1 to 4.9.4 and 4.9.6 to 4.9.8 . Where the limits set in 4.2.2, 4.3, 4.4.2, 4.7.1, 4.7.2 to 4.7.4, 4.9.1 to 4.9.4 and 4.9.6 re exceeded, SLCs 5.2, 5.48 and 5.49 of the Investment Services Rules shall apply mutatis mutandis; and
- v. shares held by the Scheme in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holder's request exclusively on its or their behalf.

#### Borrowing Limits

A Sub-Fund may borrow:

- i. up to a maximum of 10% of its assets, provided that the borrowing is on a temporary basis
- ii. up to a maximum of 10% of its assets, provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of its business;

in which case the borrowing referred to above, may in total not exceed 15% of its assets in total.

Provided further that a Sub-Fund may acquire foreign currency by means of a 'back to back' loan.

#### Other restrictions

The Company may not:

- i. pledge or otherwise mortgage any of the Company's assets or transfer or assign them for the purpose of guaranteeing any debt except in the case of back to back loans;
- ii. use the Company's assets as collateral for the issue of securities except in the case of back to back loans;
- iii. grant loans to, or act as guarantor for or on behalf of, third parties;
- iv. enter into a contract to sell any of the investments when such investments are not in the Company's ownership.
- v. use futures, options or other derivatives to leverage or gear a Sub-Fund.

## Miscellaneous

1.1.31 The Scheme is not required to comply with the investment limits laid down in this Section 4 and Section 5 of the Investment Services Rules when exercising subscription rights attaching to Transferable Securities or Money Market Instruments, which form part of their assets.

1.1.32 Without prejudice to Sections 3, 4.1, 4.2.1, 4.4.1, and 4.4.6 to 4.4.11, the Scheme shall not grant loans or act as guarantor on behalf of third parties.

1.1.33 The above shall not prevent such undertakings from acquiring Transferable Securities, Money Market Instruments or other financial instrument referred to in Section 3 para (v), (vii) and (viii) which are not fully paid.

## **Alterations to the Investment Objectives, Policies and Restrictions**

Any changes to the investment objective of any Sub-Fund shall require the consent in writing of the holders of three-fourths ( $\frac{3}{4}$ ) of the issued Investor Shares of the relevant Sub-Fund, or the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Investor Shares of such Sub-Fund in terms of the Memorandum and Articles.

The change in the investment objectives should only become effective after all pending redemptions linked to the change in the investment objective have been satisfied. Any applicable redemption fee shall be waived accordingly.

The Directors may however, at their sole discretion, alter the investment policies and restrictions as may be applicable to the Company or to a Sub-Fund, provided that:

- (1) any material alterations to the investment policies and restrictions as may apply to the Company as a whole shall be notified to all the Shareholders of the Company;
- (2) any material alterations to the investment policies and restrictions as may apply to a Sub-Fund shall be notified to the Shareholders holding Investor Shares in the particular Sub-Fund;

In each case within a period of at least thirty (30) Business Days prior to when the alterations are to come into force.

**THE COMPANY'S INVESTMENT PROGRAMMES ARE SPECULATIVE AND ENTAIL A NUMBER OF RISKS. MARKET RISKS ARE INHERENT IN ALL SECURITIES AND INVESTMENTS. THE PRACTICES OF ENGAGING IN DERIVATIVE INSTRUMENTS MAY, IN CERTAIN CIRCUMSTANCES, INCREASE THE ADVERSE IMPACT TO WHICH THE INVESTMENT PORTFOLIO OF A PARTICULAR SUB-FUND MAY BE SUBJECT. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S INVESTMENT OBJECTIVE WILL BE REALISED. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.**

## **RISK FACTORS**

The discussion below is of general nature and is intended to describe various risk factors which may be associated with an investment in the Investor Shares in a Sub-Fund to which the attention of investors is drawn. Investors should also see the section of the relevant Offering Supplement entitled "Risk Factors" for any additional risks particular to the Investor Shares in that Sub-Fund.

The risk factors discussed in this Section and in the relevant Offering Supplement are not intended to be an exhaustive list and there may be other considerations that should be taken into account in relation to an investment. Investors should consult their own advisors before considering an investment in the Investor Shares in a particular Sub-Fund. The factors of relevance to the Investor Shares in a particular Sub-Fund will depend upon a number of interrelated matters including, but not limited to, the nature of the Investor Shares. No investment should be made in the Investor Shares in a particular Sub-Fund until careful consideration of all those factors has been made.

### **Market Fluctuations**

Investment in the Sub-Funds should be regarded as a long-term investment. There can be no guarantee that the investment objective of the Sub-Funds will be achieved. The Sub-Funds' investments are subject to normal market fluctuations and the risks inherent in all investments and there are no assurances that capital appreciation will occur.

The price of Shares and the income from them (if any) can, from time to time, go down as well as up and investors may not realise the amount of their initial investment. In particular, deduction of the initial charge and the exit fee (the latter where applicable) means that if an investor withdraws from the investment in the short-term he may not get back the amount he invested.

### **Exchange Rate Fluctuations**

Currency fluctuations between the currency of denomination of a class of Shares of a Sub-Fund, and:

- (i) the investor's currency of reference, and,
  - (ii) the currency of the underlying investments of a Sub-Fund
- may adversely affect the value of investments and the income derived therefrom.

### **Geographical Risk**

The value of a Sub-Fund's investments may be negatively affected by uncertainties, such as political developments, social and economic instability, changes in government policies, taxation, high inflation, interest rates, exchange controls and other currency repatriation restrictions, restrictions on foreign investment as well as other developments in the laws or regulations of some or all of the countries in which a Sub-Fund may invest which may not be highly developed. These factors may pose difficulties for a Sub-Fund to enforce its legal rights pursuant to the investments made in such countries. The relative political instability in some of the jurisdictions a Sub-Fund is targeting for investment may also have an adverse impact on the value of investments in such jurisdictions.

### **Political Risk**

Emerging markets present different political conditions to those of the more developed markets and could possibly present less political stability. Emerging markets may be undergoing substantial political reform and investment may be made in countries that at

the particular moment of the investment may be in a period of transition where the consequences of reform may not be entirely clear.

### **Specific risks in respect of investments in Collective Investment Schemes**

Investment by a Sub-Fund in other collective investment schemes implies that its investment prospects and performance are closely linked to the prospects and performance of the underlying collective investment schemes in which it invests.

### **Investment in specific sectors of the market**

Investments made Mainly in transferable securities and/or in collective investment schemes that invest Primarily in a specific market, such as real estate or telecommunications, implies that the performance of such securities/collective investment schemes is affected by the performance of such specific market.

### **Derivative Risk**

The Sub-Funds may transact in Financial Derivative Instruments for the purposes of efficient portfolio. For the risks associated with the use of such instruments, please refer to section "Risks associated with transactions in FDIs.

### **Erosion of capital**

When an investor redeems part of his/her holding, he/she should be aware that these redemptions will be made from the sale of Shares and may result in an erosion of capital.

The re-allocation of full or part of the management fee from the income account to the capital account, may increase the income available for distribution to Shareholders in such Sub-Funds but may constrain or erode capital growth,

### **SFDR – Legal Risk**

The series of legal measures (including SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage (the EU sustainable finance action plan) are being introduced in the European Union on a phased basis and some elements (for example supporting regulatory technical standards) are subject to implementation delays. The Investment Manager seeks to comply with all legal obligations applicable to it but notes there may be challenges in meeting all the requirements of these legal measures as they are introduced. The Company may be required to incur costs in order to ensure compliance with these new requirements as part of the initial implementation phase and to incur further costs as the requirements change and further elements are introduced. This could be the case in particular if there are adverse political developments or changes in government policies as the implementation phase progresses. These elements could impact the viability of the Sub-Funds and their returns.

### **ESG Data Reliance**

The scope of SFDR is extremely broad, covering a very wide range of financial advisors and financial market participants with regard to the integration of Sustainability Risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect financial products. It seeks to achieve more transparency regarding how financial market participants integrate Sustainability Risks into their investment decisions and consideration of adverse

sustainability impacts in the investment process. Data constraint is one of the biggest challenges when it comes to sustainability related information to end-investors, especially in the case of principal adverse impacts of investment decisions, and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability.

### **ESG Investing**

Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities in which the Company might otherwise invest. Such securities could be part of the benchmark against which the Company is managed or be within the universe of potential investments. This may have a positive or negative impact on performance and may mean that the Company's performance profile differs to that of funds which are managed against the same benchmark or invest in a similar universe of potential investments but without applying ESG or sustainability criteria.

Furthermore, the lack of common or harmonised definitions and labels regarding ESG and sustainability criteria may result in different approaches by managers when integrating ESG and sustainability criteria into investment decisions. This means that it may be difficult to compare funds with ostensibly similar objectives and that these funds will employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar funds may deviate more substantially than might otherwise be expected. Additionally, in the absence of common or harmonised definitions and labels, a degree of subjectivity is required and this will mean that a fund may invest in a security that another manager or an investor would not.

The Investment Manager currently does not apply any ESG criteria for the Company or any of its Sub-Funds. As a result, the Company does not apply negative screening to exclude specific sectors or companies based on ESG criteria.

The Company does not aim to achieve long-term capital growth integrating an ESG approach. But this situation may change depending on the regulatory and legal framework. In this case this Prospectus will be updated.

It should also be noted that the Taxonomy Regulation will in due course provide a common taxonomy for identifying economic activities as environmentally sustainable within the European Economic Area. However, the scope of the Taxonomy Regulation will initially be limited to six environmental objectives (and so will not cover the entire universe of ESG objectives) and is not currently expected to be used universally, outside of the European Economic Area. For the purposes of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **Use of Liquidity Management Tools ("LMTs")**

To manage liquidity in the interests of investors, the Investment Manager may activate, operate and deactivate one or more LMTs set out in this Prospectus and/or the relevant Offering Supplement. Such tools may include measures that limit, defer or delay the processing of redemption requests and/or the payment of redemption proceeds, adjust the price at which subscriptions and redemptions are effected (including through mechanisms designed to reflect liquidity costs) and/or where permitted, satisfy redemptions in whole or in part by delivery of assets *in specie*, which assets may be illiquid or difficult to realise. There can be no assurance that the use of any LMT will be effective in meeting its objectives or that it will prevent losses and the application of an LMT may materially affect Investors' redemption rights, the timing of liquidity and/or the

value received. Where applicable, the activation or deactivation of certain LMTs may also give rise to regulatory notification or reporting requirements.

The MFSA may, in exceptional circumstances and after consultation with the Investment Manager, require the Company to temporarily suspend subscriptions, repurchases and redemptions to protect investors and financial stability. Any such regulatory intervention could restrict Investors' ability to deal in the Sub-Funds during the relevant period and may affect the timing of the processing of dealing requests.

### **Risk Profiles of the Sub-Funds**

The risk profiles of the Sub-Funds are determined through the calculation of the Synthetic Risk and Reward Indicator ("SRRI"), which is included in the relevant Sub-Fund's KID. The SRRI is based on the volatility of each Sub-Fund, with the volatility being estimated using the past returns of the Sub-Fund gathered from a sample period covering the last 5 years of the life of the Sub-Fund and, in case of distribution of income, shall be measured taking into account the relevant earnings or dividend payoffs. In the event that past performance for a particular share class is not available, the SRRI is calculated using simulated historical data as fully disclosed in the respective KID.

### **General**

The Sub-Funds may be suitable for investors who view collective investment schemes as a convenient way of participating in investment markets. It may also be suitable for investors seeking to attain defined investment objectives. However, investors in the Sub-Funds must be willing to accept certain risks to their capital as detailed in this section. In addition, in view that the Sub-Funds are viewed as being medium to long term investment vehicles, the Sub-Funds may be suitable for investors who are able to set aside a certain amount of capital for at least three to five years. Any investor who is in any doubt about the risks of investing in any of the Sub-Funds should consult his or her own financial advisor.

### **Financial Derivative Instruments and their Risks**

#### General Information

The Sub-Funds may transact in FDIs for the purposes of efficient portfolio management. The term "efficient portfolio management" refers to transactions that are entered into with the aim of reducing risk, reducing cost or generating additional capital for the Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund as described in this Prospectus and the respective Offering Supplement.

It is the current intention that the types of FDIs that the Sub-Funds may transact in include forward foreign exchange contracts, futures, purchased and/or written options (both listed and OTC), exchange rate swaps and interest rate swaps. It is intended that the Sub-Funds would, in due course, also transact in credit default swaps, total return swaps and contracts for differences. This in view that the use of the latter three types of FDIs is subject to their inclusion in the Risk Management Process. The intentions referred to in this paragraph may, at the discretion of the Investment Manager, be changed at any time subject that such changes are duly reflected in an updated version of the Prospectus, or the relevant Offering Supplement, or via an addendum thereto. Should the need arise, when transacting in FDIs, the Company may be required to collateralize the Company's assets, whether by way of outright collateral transfers or by way of security interests thereon, in order to secure the obligations undertaken by the Company.

FDIs are highly specialised instruments that require investment techniques and risk analyses different from those associated with equity and debt securities. There can be no

guarantee or assurance that the use of FDIs will meet or assist in meeting the investment objectives of a Sub-Fund.

FDIs do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the use of FDIs may not always be an effective means of, and sometimes could be counter-productive to, the relevant Sub-Fund's investment objective.

The prices of FDIs, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In the case of foreign exchange swaps and forward foreign exchange contracts, being OTC instruments, investors are advised that the counterparties to such instruments are subject to the risk of non-performance by the counterparties, including risks relating to the financial soundness and creditworthiness of the counterparties.

In the case of listed put or call options, a Sub-Fund's ability to close out its position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the option market.

Where a Sub-Fund enters into swap arrangements or a forward foreign exchange contract, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

A conflict of interest may arise due to the fact that FDIs may be transacted with Bank of Valletta plc, in view that the Investment Manager is a subsidiary of Bank of Valletta plc.

The use of FDIs in relation to the Sub-Funds is not intended to increase the risk profiles of the Sub-Funds.

#### Details on FDIs currently intended to be used by the Sub-Funds

##### *Forward Foreign Exchange Contracts*

A forward foreign exchange contract is a contractual agreement between a buyer and a seller to exchange one currency for another at a specified date in the future at a price (exchange rate) fixed in advance. The contract holders are obliged to buy or sell the currency at a specified price, at a specified quantity and on a specified future date.

Currency hedging may be utilised to hedge share classes denominated in currencies other than the base currency of the Sub-Fund. See Section below entitled 'Hedging at Share Class Level'.

##### *Futures*

A futures contract is traded on an organised exchange. A futures contract, like a forward contract, is an agreement between a buyer and a seller to exchange one currency for

another at a specified date in the future at a price (exchange rate) that is fixed on the purchase date. However, there are two main differences between these two types of instruments. One difference is that the default risk on futures is significantly reduced by the futures exchange guaranteeing to indemnify counterparties against credit or default risk. Another difference relates to the contract price which in a forward contract is fixed over the life of the contract whereas a futures contract is marked-to-market daily.

### *Options*

An option is a contract that gives the holder of the option the right, but not the obligation, to buy or sell an underlying asset at a prespecified price for a specified time period. Options are classified as either call or put options. A call option gives a purchaser of the option, the right but not the obligation, to buy the underlying security from the writer of the option at a prespecified exercise price on a prespecified date. A put option gives the purchaser of the option the right, but not the obligation, to sell the underlying security to the writer of the option at a prespecified price on a prespecified date.

A listed option is traded on a regulated exchange where the terms of each option are standardized by the exchange. The contract is standardized so that underlying asset, quantity, expiration date and strike price are known in advance unlike over-the-counter options which are not traded on exchanges and thus allow for the customization of the terms of the option contract.

The benefits to exchange-traded options are the liquidity of the options, standardized contracts, quick access to prices and the use of clearing houses by exchanges. In the case of OTC options, such benefits linked to listed options might not present to participants the necessary flexibility that OTC options have. With OTC options, both hedgers and speculators can benefit from avoiding the restrictions that normal standardized exchanges place on options. Such flexibility might thus allow participants to achieve their desired position more precisely and also more cost effectively. With listed options, the use of clearing houses guarantees the option contract will be fulfilled, while with over-the-counter options the ability to exercise the contract is dependent on the ability of the other party to meet the obligation.

### *Exchange Rate Swaps*

An exchange rate swap is an agreement negotiated between two parties to exchange the return on cash for the return on varying currencies.

### *Interest Rate Swaps*

An interest rate swap is an agreement negotiated between two parties to exchange interest rate cash flows, calculated on a notional amount, at specified dates during the life of the swap. The notional amount is used only to determine the payments under the swap and is not exchanged. The payment obligation of each party is calculated using a different interest rate, typically with one party paying a floating interest rate in return for receiving a fixed interest rate, either at regular intervals during the life of the swap or at the maturity of the swap. Interest rate swaps could be used by the Sub-Fund to enable its interest rate sensitivity profile to be changed faster and more cheaply than through the use of physical cash markets.

Any costs and expenses incurred when transacting in FDIs will be attributable to the particular Sub-Fund and in the case of share class specific the related expenses are incurred by that specific share class.

### Risk Management Process

The Investment Manager uses a Risk Management Process which enables it to monitor, and measure and manage at any time as frequently as appropriate, the risks of the Sub-Funds' derivatives positions and their contribution to the overall risk profile of the Sub-Funds.

The Investment Manager will, on the request of shareholder provide supplementary information relating to the quantitative limits that apply in the risk management of the UCITS, the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields.

## **BUYING, SELLING AND SWITCHING**

### **Dealing Times and Dealing Prices**

#### Dealing Times

The Investment Manager shall calculate, as at 09:00 hours (Malta time) on the following Dealing Day, the Net Asset Value per Share of the Sub-Funds for both the Accumulation Shares and the Distribution Shares (the latter where applicable).

Full details of the method of determination of the Net Asset Value per Share are set out in Appendix I and II of this Prospectus.

#### Dealing Prices

Requests to buy, sell and switch Shares in the Sub-Funds, will be dealt at the appropriate dealing price based on the Net Asset Value per Share for each class of Shares. The dealing price is calculated as at the dealing times specified above. More details on the respective dealing prices may be found in each relevant Offering Supplement.

### **Procedure to Purchase Shares**

Each Sub-Fund can be constituted by multiple Classes of Investor Shares. Each Class represents an interest in the Sub-Fund's portfolio, but may have its own characteristics, such as fee structure, Minimum Initial Investment, Minimum Additional Investment, Minimum Holding, dividend policy or Base Currency.

Investor Shares are issued in registered form, meaning that the Shareholder's name is recorded in the Sub-Fund's register of Shareholders. A written confirmation of this ownership in the form of a contract note will be sent to each Shareholder.

Investor Shares in issue must be fully paid-up. Investor Shares have no par value and carry no preferential or pre-emptive rights. Applications to acquire Investor Shares are subject to the restrictions appearing in this Prospectus, the Memorandum and Articles and, in relation to a particular Sub-Fund, the related Offering Supplement.

Subscriptions are valid only when based on the most recent Prospectus and the latest annual report (if any), as well as the latest half-yearly report (if any) when this has been published after the latest annual report. No person is authorised to give any information about the Company or a Sub-Fund if the same is not contained in this Prospectus or in the documents mentioned in this Prospectus and which the public can consult.

Subscription Applications for the purchase of Investor Shares are to be addressed to the Company and sent in writing to the Administrator (electronic mail instructions, subject that such requests are followed by the original signed instructions). Other Shareholder requests may be sent in writing, through electronic communications contacting the Company and/or the Administrator. The Administrator and the Company may record telephone conversations for security purposes.

#### Subscription Procedures

Investor Shares may be purchased during the Initial Offering Period at the Initial Offering Price and subsequently on any Subscription Day at the Subscription Price. Investors can purchase Investor Shares by submitting a Subscription Application and supporting documentation to the Company as set out below.

In order to purchase Investor Shares in the Company, a prospective investor must:

- (1) Complete and sign the Subscription Application, a copy of which is available from the offices of the Company, the Investment Manager, the Administrator or any Licensed Financial Intermediary;
- (2) Pay the subscription amount to the Company's bank account by bank transfer in Cleared Funds as set out below;
- (3) Send the signed and completed Subscription Application, to the Company, Investment Manager and/or Administrator, enclosing those documents required in the Anti-Money Laundering Supplement (the "AML Supplement"), which forms part of the Subscription Application; and
- (4) Comply with the relevant Minimum Initial Subscription and the Minimum Holding limits.

**The Company will only issue Investor Shares to applicants upon receipt, at the offices of the Administrator within the deadlines specified in the related Offering Supplement, of a properly executed Subscription Application and other required documentation, and of Cleared Funds.**

#### Subscription Application

Applications for Shares from new investors must be made on the Subscription Application and applications from existing Shareholders may be made either on a Subscription Application or in writing (including facsimile communication or by any other electronic means acceptable to the Company, Investment Manager and/or Administrator, provided that such requests are followed by the original signed instructions) through Licensed Financial Intermediaries or directly through the Company, Investment Manager and/or Administrator. The application, in writing, to purchase Shares and duly signed by the investor/s, if accepted by the Company, Investment Manager and/or Administrator (as applicable), will constitute a legally binding contract. The Company, Investment Manager and/or Administrator (as applicable) reserve(s) the right to reject any application in whole or in part.

#### Cut off time for receipt of applications

The cut off time for receipt of applications for the purchase of Shares of each Sub-Fund shall be specified in the relevant Offering Supplement.

In the event that not all supporting documentation or information stated above has been received by the stipulated deadlines, the Company may (but shall not be obliged to), process the relevant Subscription Application. In such case, no redemptions will be allowed until such pending documents or information is received by the Company.

No application will be capable of withdrawal after acceptance by the Company. In such circumstances, the Company may charge the Subscriber for any expense incurred by the Company and for any loss to the relevant Sub-Fund arising out of such withdrawal.

#### Payment for Investments

Applications are to be accompanied by payment by means of a bank transfer. Payment for investments can be made in the Base Currency (or other currency equivalent - in which cases, these are converted to the base currency of the appropriate Sub-Fund at the prevailing exchange rate/s). Any applicable bank charges will be borne by the investor/s.

If payment in full in Cleared Funds in respect of an application has not been received by the relevant Settlement Date, or in the event of non-clearance, any allotment or issue of Shares made in respect of such application shall be cancelled by not later than the time and date set out in the Offering Supplement, and the Directors may charge the Subscriber for any expense incurred by the Company and for any loss to the Sub-Fund arising out of such non-receipt or non-clearance. Monies returned will be at the risk and expense of the Subscriber.

### General

Each investor must represent and warrant to the Company (whether directly or indirectly through the Investment Manager and/or Administrator, as applicable) that amongst other things he/she is able to buy Shares without violating applicable laws. The Company will not knowingly offer or sell Investor Shares to any investor to whom such offer or sale would be unlawful.

The Company (whether directly or indirectly through the Investment Manager and/or the Administrator) reserves the right to obtain evidence of identity and other information to comply with its anti-money laundering and counter terrorist financing obligations under the applicable laws ("Prevention of Money Laundering Regulations"). In the case of failure to provide satisfactory information, the Company may take such action, as it thinks fit.

Shares may not be issued and may be subject to mandatory redemption or transfer by the Company in accordance with the Articles of Association of the Company, *inter alia* if it shall come to the notice of the Directors, or if the Directors shall have reason to believe that any Shares are owned directly, indirectly or beneficially by:

- a) any person in breach of any relevant condition laid down in the Prospectus, or in the applicable Supplement, or of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares; or
- b) any person who is acquiring, or has acquired, such Shares on behalf of or for the benefit of, a person indicated under (8.2) (a) above without the consent of the Directors; or
- c) any person who is, or has acquired such shares on behalf of or for the benefit of, a U.S. Person without the consent of the Directors; or
- d) any person who does not supply any of the information or declarations required hereunder within seven (7) days of a request to do so being sent by the Directors; or
- e) any person or persons in circumstances which (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons whether connected or not, or any other circumstances appearing to the Directors to be relevant) in the opinion of the Directors might result in the Company or any Member incurring any liability to taxation or suffering pecuniary or administrative disadvantages which the Company or such Member might not otherwise have incurred or suffered;

the Directors shall be entitled to give notice in writing (in such form as the Directors deem appropriate) to such person or persons requiring him or them to transfer such Shares to a person who is qualified or entitled to own the same or request in writing the redemption of such Shares in accordance with the Articles of Association of the Company. If any person, upon whom such a notice is served as aforesaid does not within thirty (30) days of the date of such notice, transfer such Shares or request in writing the Company to repurchase the shares, he shall be deemed forthwith upon the expiration of thirty (30) days to have so requested the redemption of all of his Shares which are the subject of such notice, whereupon the Directors shall be entitled to appoint any person

to execute such documents as may be required for the purpose of the redemption in line with the Articles of Association of the Company.

If the Directors determine that the continuing ownership of Shares by a particular Shareholder would cause an undue risk of adverse tax or other consequences to the Company or any of its Members, or if the Directors otherwise determine that such ownership of Shares is not in the best interests of the Company or falls outside the risk appetite of the Company, the Company may compulsorily repurchase all or part of the Shares of such Shareholder at any time in accordance with the procedures set out in the Prospectus relating to compulsory redemption of Shares.

Shares of any class may be redeemed on the authority of the Directors to comply with the equalisation arrangements (if any) established in the Prospectus.

Such compulsory redemptions will take place at the prevailing Redemption Price on the day that such redemption takes place.

#### Lump Sum Investment and Monthly Investment Plan

Acquisition of Shares in each Sub-Fund may take one of the following forms.

##### *Lump Sum Investment*

Investment may be made in the form of a lump sum ("Lump Sum Investment"). The minimum initial Lump Sum Investment for each Sub-Fund shall be specified in the respective Offering Supplement. Additional investments in any Sub-Fund are not subject to a minimum.

##### *Monthly Investment Plans (where available as indicated in the respective Offering Supplement)*

Monthly investment plans ("Monthly Investment Plan") are applicable as specified in the respective Offering Supplement. In the case of those Sub-Funds having both Accumulator and Distributor Shares, the Monthly Investment Plan is applicable on Accumulation Shares only. The Dealing Day for Monthly Investment Plans is the 15th day of each month (or, if this is not a Business Day, the next Business Day thereafter), unless specified otherwise in the relevant Offering Supplement.

Investment in a Monthly Investment Plan is to be made through a regular monthly contribution. Regular monthly contributions are subject to the minimum figure as specified in the respective Offering Supplement and may be made in the Base Currency (or other currency equivalent).

A Monthly Investment Plan can be established by completing the relevant section of the Subscription Application, together with the investor arranging for a regular debit of his or her bank account which proceeds shall have to be received by the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) by not later than the 10th day of each month (or, if this is not a Business Day, the next Business Day thereafter), unless specified otherwise in the relevant Offering Supplement. The Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) will arrange for any such sums received in a currency other than the Base Currency to be converted into such base currency at prevailing exchange rates. Any payments received after that date will be invested in the following month. Pending monthly contributions will be held in a designated client money account by the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) and will not accrue interest between the date of collection and the date of investment.

## Contract Notes, Statements, Valuations and Share Certificates

Contract notes containing full details of the investment will be issued for Lump Sum Investments only and will be dispatched within one (1) Business Day from the Dealing Day on which the order to purchase Shares is effected. In addition, investors will be sent, on a six (6) monthly basis, a valuation of their holdings as at 30 April and 31 October.

Contract notes will be mailed to the registered address held at the Investment Manager's office and, in the case of joint holders, such delivery shall be deemed as sufficient delivery to all joint holders and shall discharge the Company of its obligation towards the other joint holder/s.

In the case of investments via a Monthly Investment Plan, contract notes will not be issued but investors will be sent every six (6) months, as at 30 April and 31 October, a statement giving full details of the transactions made during the relative six-month period together with a valuation of such holdings as at these dates.

## Registrations

All Shares will be registered and an entry in the register of Shareholders will be conclusive evidence of ownership. No share certificates will be issued, unless specifically requested by lump sum investors only at the time of application. The uncertificated form allows the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) to effect redemption instructions without delay and the Company therefore recommends that investors maintain their Shares in an uncertificated form.

If certificated Shares are requested, a Share certificate will be dispatched either to the investor or his nominated agent (at his risk) normally within twenty-eight (28) days of completion of the registration process.

Any change to a Shareholder's personal details, or loss of certificates must be notified to the Company immediately in writing. The Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) reserves the right to request indemnity or verification before accepting such notification.

## **Procedure to Sell Shares**

### Redemption Instructions

Shareholders may, at any time, irrevocably request, via signed instructions to the Investment Manager, the redemption of their shares in any Sub-Fund.

Redemption instructions may be made on a Redemption Form or in writing in a form acceptable to the Company (whether directly or indirectly through the Investment Manager, the Administrator and/or any Licensed Financial Intermediary, as applicable).

### Cut off time for receipt of redemption instructions

The cut off time for receipt of applications for the redemption of Shares of each Sub-Fund shall be specified in the relevant Offering Supplement.

### Payment of Redemption Proceeds

Payment of the redemption proceeds will be made by the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) in the base currency of the relevant Sub-Fund or other currency equivalent within fourteen (14) Business Days of the relevant Dealing Day. Payment will be made by bank transfer to an account held in the name of the registered holder as duly instructed in the redemption instructions. Neither the Company, the Investment Manager nor the Administrator shall be responsible for any delay in transmission.

In the case of a share held jointly by two or more persons, the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) shall cause the redemption payment to be made by bank transfer to the account held in the name of any one or more of the joint holders as duly instructed in the redemption instructions.

Payment of the redemption proceeds as specified above shall be deemed as having been effected to all joint holders and shall discharge the Company of its obligation towards the other joint holder/s.

Redemption proceeds will be rounded down to the nearest unit or currency unit, and the related Sub-Fund will retain the benefit of such rounding.

Any applicable bank charges incurred will be borne by the registered holder/s.

Redemption proceeds may be paid by bank draft upon request and at the discretion of the Administrator. Any applicable bank charges incurred will be borne by the registered holder/s.

Net redemption proceeds following a redemption, including compulsory redemption as set out in this Prospectus and the Articles, shall only be paid when the Shareholder has submitted all documents required under the Prospectus and applicable law to the satisfaction of the Company and the Company is otherwise satisfied that the payment of such net redemption proceeds is in accordance with applicable law.

#### Contract Notes

Contract notes containing full details of the redemption will be issued for both Lump Sum Investments and Monthly Investment Plan redemptions. Contract notes will be dispatched within one (1) Business Day from the Dealing Day on which the order to redeem shares is effected.

Contract notes will be mailed to the registered address held at the Investment Manager's office and, in the case of joint holders, such delivery shall be deemed as sufficient delivery to all joint holders and shall discharge the Company, the Investment Manager and the Administrator of any of their obligations towards the other joint holder/s.

#### Redemption Gate

The Directors may limit the total number of Shares which may be redeemed on any Dealing Day to a percentage of the outstanding Shares in a Sub-Fund as may be set out and subject to the conditions in the relevant Offering Supplement of the Sub-Fund.

Shareholders may not revoke or withdraw redemption instructions delivered to the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable), even if the Directors elect to exercise their power to impose a Redemption Gate.

#### Suspension of Redemption

Should it appear to the Administrator that the effect of a Redemption Notice will result after the Redemption, in the Shareholder holding in aggregate less than the Minimum Holding, the Administrator shall immediately inform the applicant that the request for redemption has been suspended until the Notice is amended either to result in observance of the Minimum Holding of Investor Shares, after redemption, or to request the redemption of all of the outstanding Investor Shares in the name of the Shareholder.]

#### Temporary suspension of Net Asset Value calculations and of issues, exchanges and redemptions of Investor Shares

Temporary suspension of Net Asset Value calculations and of issues, exchanges and redemptions of Investor Shares

The Directors may, on the advice of the Investment Manager, declare a temporary suspension (a "**Suspension**") of:

- (1) the issue of Investor Shares in a Sub-Fund;
- (2) the exchange / conversion of Investor Shares in a Sub-Fund (to the extent such exchange / conversion involves a redemption and a subscription); and
- (3) the repurchase and redemption of Investor Shares in a Sub-Fund,

in each case simultaneously, for the same period and for all investors of the relevant Sub-Fund, where exceptional circumstances exist and the Directors, on the advice of the Investment Manager consider that permitting subscriptions, repurchases, redemptions and related exchanges / conversions of Investor Shares would not be in the best interests of the relevant Sub-Fund and its Shareholders as a whole.

#### **Net Asset Value calculation during a Suspension**

The Directors may, on the advice of the Investment Manager, where necessary, also temporarily suspend the determination of the Net Asset Value of the relevant Sub-Fund (and consequently the Net Asset Value per Investor Share) (a "**NAV Suspension**"), including where there is significant valuation uncertainty and it is not possible to compute a NAV on a fair and reliable basis. In other cases, and whenever possible, the Sub-Fund shall continue to value its assets and publish a NAV for information purposes, including where the Sub-Fund is closed for subscriptions, repurchases and redemptions.

Where a NAV Suspension is declared, the Suspension of subscriptions, repurchases, redemptions and related exchanges / conversions shall apply for the duration of the NAV Suspension.

#### **Circumstances in which a Suspension / NAV Suspension may be declared**

Without prejudice to the generality of the above, the Company may, but shall not be obliged to, declare a Suspension and/or a NAV Suspension in respect of the relevant Sub-Fund in the following exceptional circumstances:

- (1) during any period (other than holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the investments comprised in a Sub-Fund to which such class of Investor Shares relates, or in which trading thereon is restricted or suspended; or
- (2) during any period when as a result of political, economic, military or monetary events or any other cause or circumstance outside the control, responsibility and power of the Company, disposal by the Company of investments which

constitute a substantial portion of the assets of a Sub-Fund to which such class of Investor Shares relates is not practically feasible without being seriously detrimental to the interests of shareholders; or

- (3) during any period when for any reason, in the opinion of the Directors, on the advice of the Investment Manager, a fair price of investments comprised in a Sub-Fund to which such class of Investor Shares relates cannot be reasonably, promptly or accurately ascertained by the Company; or
- (4) during any period when there is a breakdown of the means of communication normally used for the valuation of Investments comprised in the Sub-Fund or if for any reason the value of any asset of the Company may not be determined as rapidly and as accurately as required; or
- (5) during any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, Investments comprised in the Sub-Fund to which such class of shares relates cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
- (6) during any period when the proceeds of sale or redemption of such shares in the Company cannot be transmitted to or from the Company's account;
- (7) as a result of exchange restriction or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable, or purchases, sales, deposits and withdrawals of the Company's assets cannot be effected at the normal rates of exchange;
- (8) an Extraordinary Resolution to wind up the Company has been passed; or
- (9) other exceptional circumstances as may be determined by the Directors and/or the Investment Manager.

### **Application across share classes**

Where a Sub-Fund has more than one class of Investor Shares, any Suspension and/or NAV Suspension under this section shall apply to all such classes on the same basis and for the same duration.

### **Orders during a Suspension**

No Investor Shares will be issued during periods when issues of Investor Shares are suspended, no Investor Shares will be exchanged / converted, during periods when exchanges / conversions are suspended, and no Investor Shares will be repurchased or redeemed during periods when redemptions are suspended. In such cases, a Shareholder may, subject to the below, withdraw its Share application or redemption or exchange request, as appropriate, provided that a withdrawal notice is actually received by the Administrator before the Suspension is terminated.

Unless withdrawn, Share applications and redemption and exchange requests, as appropriate, will be acted upon on the first Dealing Day after the Suspension is lifted at the relevant Subscription Price or Redemption Price (as the case may be) prevailing on that Dealing Day (as the case may be). An application for Investor Shares may not be withdrawn if issues of Investor Shares are suspended on a date following the Dealing Day upon which the application for such Investor Shares is deemed to be effective.

### **Duration and notice**

A Suspension shall be temporary and strictly limited to the period necessary to address the exceptional circumstances that justify it.

Notice of the Suspension and its termination will be given to all Shareholders and Subscribers, as soon as reasonably practicable. Where possible, all reasonable steps will be taken to bring any period of Suspension to an end as soon as possible.

In the event of a Suspension, the Company shall, without delay, communicate its decision to the MFSA and, where applicable, to the competent authorities of all Member States in which the relevant Sub-Fund's Investor Shares are marketed.

#### **Fees during a NAV Suspension**

Any fees due to any service providers that are based on the Net Asset Value of a Sub-Fund shall accrue on the basis of the latest available Net Asset Value of the related Sub-Fund.

#### **Side Pockets**

The Directors may, on the advice of the Investment Manager, and in exceptional cases determine to establish a side pocket to segregate certain assets of a Sub-Fund whose economic or legal features have changed significantly or become uncertain (a "Side Pocket").

A Side Pocket shall take the form of an accounting segregation. In this case, the Board shall create a dedicated Share Class of the Sub-Fund to which the assets subject to the Side Pocket are allocated. New subscriptions, repurchases and redemptions in other Share Classes shall be executed based on the Net Asset Value of the Sub-Fund; calculated after excluding the assets subject to the Side Pocket. The Side Pocket Class shall be closed to subscriptions, repurchases and redemptions.

Upon creation of a Side Pocket, Shareholders shall be allocated Shares in the Side Pocket pro rata to their holdings in the Sub-Fund at the time of segregation. Any income, gains, or losses attributable to the Side Pocket shall accrue solely to the holders of Shares allocated to that Side Pocket.

The Board may establish reserves or holdbacks for estimated expenses, liabilities, or contingencies relating to the Side Pocket, including general reserves or holdbacks for unspecified contingencies (even if such reserves or holdbacks are not otherwise required by generally accepted accounting principles). Such reserves or holdbacks may reduce the amount distributable to the Shareholders allocated to the Side Pocket.

The Directors, on the advice of the Investment Manager, may consider the activation of a Side Pocket in exceptional circumstances, including, without limitation: (i) significant valuation uncertainty; (ii) no active market for the asset; (iii) trading halts or suspensions; (iv) regulatory sanctions or other force majeure events; (v) fraud, financial crises, or war affecting a particular sector, region, or asset; (vi) other exceptional circumstances as may be determined by the Directors and/or the Investment Manager.

The Board and the Investment Manager shall monitor the conditions that prompted the creation of a Side Pocket and shall determine when such conditions no longer exist. Once the assets are liquid or capable of valuation, the Directors, on the advice of the Investment Manager, may determine to:

- (i) compulsorily redeem the portion of the Side Pocket Shares representing the previously illiquid asset in accordance with the procedures for compulsory redemptions; or
- (ii) reconstitute such portion of the Side Pocket Shares into Shares in the Sub-Fund, transferring the relevant asset to the liquid pool of the Sub-Fund.

All distributions or reconstitutions shall be undertaken pro rata amongst all holders of Side Pocket Shares.

## Frequent Trading

Investment in the Sub-Funds is intended for long term purposes only. The Directors will take reasonable steps to seek to prevent excessive and/or short term trading or similar abusive practices. Excessive and/or short term trading into and out of a Sub-Fund can disrupt or impair portfolio investment strategies, are likely to unnecessarily increase expenses and might negatively impact investment returns for all Shareholders, including long term Shareholders who do not generate these expenses. The Directors reserve the right to reject any redemption, purchase or conversion request delivered by any investor or group of investors if the Directors believe that such redemption, purchase or conversion request disrupts or impairs the trading activity in the portfolio(s) and accounts(s) of a Sub-Fund.

Investors need to be aware that there are practical restraints in both determining the policy which is appropriate in the interest of long term investors and in applying and enforcing such policy.

The right to convert or exchange Investor Shares is not intended to facilitate excessive and/ or short term trading. The Directors reserve the right to reject any conversion order for any reason without prior notice.

## **Liquidity Management Tools**

The Investment Manager maintains and applies a liquidity risk management policy (the "LRMP"), for its funds under management, including the Company and its Sub-Funds, consistent with the UCITS Directive and any regulatory technical standards and guidelines issued thereunder. The LRMP includes Liquidity Management Tools (LMTs) and is designed to support the orderly management of liquidity of each Sub-Fund and to seek to ensure fair treatment of investors, including in stressed market conditions. It forms part of the Investment Manager's overall risk and liquidity management arrangements and is subject to ongoing monitoring and periodic review, having regard to each Sub-Fund's investment strategy, liquidity profile, investor base and dealing frequency.

The LMTs set out hereunder under the heading "LMTs applicable to all Sub-Funds of the Company" are applicable to all Sub-Funds of the Company. The Offering Supplement in respect of a Sub-Fund sets out Sub-Fund specific LMTs (the "**Sub-Fund Specific LMTs**")

## **LMTs applicable to all Sub-Funds of the Company**

The following LMT is available for possible use by the Investment Manager, to be used only in exceptional circumstances, as described below and applied consistently to all investors:

- i. Temporary suspension of issues, exchanges and redemptions of Investor Shares;
- ii. Side Pockets

Please refer to Section "Procedure to Sell Shares" of the Prospectus for further details in respect of these LMTs.

## **Sub-Fund Specific LMTs**

Applicable laws, rules and regulations require the Investment Manager to select (at least) certain liquidity management tools ("**LMTs**") for each Sub-Fund and to maintain appropriate arrangements for their activation and operation where and as permitted. The Sub-Fund Specific LMTs, together with any applicable parameters and operational features, are disclosed in the Offering Supplement for that Sub-Fund (and may differ

between Sub-Funds). Investors should therefore read this Prospectus together with the relevant Offering Supplement.

To the extent permitted by applicable laws, rules and regulations, and where considered appropriate in the interests of investors as a whole, the Directors may, on the advice of the Investment Manager, activate, operate and deactivate one or more of the Sub-Fund Specific LMTs for the relevant Sub-Fund, either individually or in combination. The activation of such tools may, depending on the circumstances, affect investors' ability to redeem, the timing of the processing of dealing requests and/or the timing of payment of redemption proceeds.

### **Regulatory Notification or Reporting Requirements**

Where applicable, the activation and/or deactivation of certain LMTs may give rise to regulatory notification or reporting requirements and the Company and/or the Investment Manager will comply with any such requirements as may apply from time to time.

### **Procedure to Switch Shares**

Switching of Shares is available between all Sub-Funds and between different Share classes within the same Sub-Fund.

#### Switching between Sub-Funds

Shareholders may switch Shares in one Sub-Fund into Shares in another Sub-Fund and may also switch Shares from one Share class to another Share class within the same Sub-Fund, in accordance with the procedure set out in the relevant Offering Supplement.

#### Cut off time for receipt of switching instructions

The cut off time for receipt of applications for the switching of Shares shall be specified in the relevant Offering Supplement.

#### Contract Notes

The Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) will dispatch contract notes within one (1) Business Day following the Dealing Day on which the order to switch is fully effected. New Share certificates, if requested, will only be issued on receipt of any Share certificate in respect of the original Shares.

Contract notes will be mailed to the registered address held at the Investment Manager's office and, in the case of joint holders such delivery shall be deemed as sufficient delivery to all joint holders and shall discharge the Company, the Investment Manager and the Administrator of their obligation towards the other joint holder/s.

#### General

The number of shares to be issued as new Shares on switching shall be determined by the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) in accordance (or as nearly as may be in accordance) with the following formula: -

$$NS = \frac{[A \times B \times C]}{D}$$

where:

NS = the number of new Shares which will be issued;  
A = the number of original Shares to be switched;  
B = the redemption price of such original Shares on the relevant Dealing Day;  
C = the rate of exchange determined by the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) for switching the Base Currency of the original Shares into the Base Currency of the new Shares, if applicable; and  
D = the issue price of the new Shares on the relevant Dealing Day (including any commissions payable).

Upon a switch, the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) shall cause assets or cash representing the value of new Shares as defined above to be allocated to the class of Shares comprising the new Shares.

### **Dividend Distributions (applicable to Distribution Shares)**

Details of dividend distributions, where applicable, shall be provided in the relevant Offering Supplement.

### **Hedging at share class level**

In the case where the Base Currency and the currency of denomination of a share class differ, the Investment Manager may implement a hedging strategy to seek to minimise any exchange rate losses between the said currencies.

Any financial instruments used to implement such strategies with respect to one or more share classes shall be considered to be assets/liabilities of the Sub-Fund as a whole, but will, for the purposes of determining the net asset value of the share class, be allocated to the relevant class of shares.

It is currently intended that the Investment Manager will make use of forward foreign exchange contracts in order to hedge the currency exposure. (No other techniques or instruments will currently be used for hedging currency exposures).

Purchases of the hedged share class are converted into the Base Currency at the spot rate.

It is the Investment Manager's intention that the hedging transaction will be rolled at least on a monthly basis, crystallising any gain or loss on the hedge.

The gain or loss on the share class hedge will always form part of the respective daily net asset value per share calculation. However, it remains effectively uninvested in the Sub-Fund's assets until the gain or loss is realised, which occurs when the hedge is rolled over.

Whilst aiming to reduce the currency risk of the hedged share class, any hedging strategy adopted will not necessarily eliminate all the currency risk exposure and, as a result, there may be a mismatch between the Base Currency and hedged share class.

Irrespective of whether the Base Currency is declining or increasing in value relative to the currency of denomination of the share class which is denominated in a different currency, the hedging strategy may either substantially protect shareholders in the hedged share class against a decrease in the value of the Base Currency, but it may also preclude the same shareholders from benefiting from an increase in value of the Base Currency.

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 one share class could affect the Net Asset Value of the other share class of the Sub-Fund.

## **Languages and Methods of Communication**

### Languages in which the Shareholder may communicate

Shareholder requests may be sent either in the Maltese or the English language at the registered office of the Administrator. Unless otherwise indicated by the Shareholder on specific requests, the Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) shall revert in the English language. This Prospectus, the KIDs, the Memorandum and Articles, the annual and interim financial statements and any other marketing communication documents are made available in the English language.

### Methods of communication

Application for the purchase and redemption and switching of Shares are to be sent in writing (including facsimile instructions, subject that such requests are followed by the original signed instructions) or through Internet banking facilities. Other Shareholder requests may be sent either in writing, through electronic communications or by telephonically contacting the Investment Manager. The Company (whether directly or indirectly through the Investment Manager and/or the Administrator, as applicable) may request that such requests be sent in writing and may record telephone conversations for security purposes.

## **Investor Compensation Scheme**

Pursuant to the Investor Compensation Scheme Regulations (S.L. 370.09, Laws of Malta) (for the purpose of this paragraph, the "Regulations"), "Investors" as defined in the Regulations may benefit from investor protection. The benefits of this scheme shall be made available in the case where MFSA make a determination as to whether compensation can be made under the Regulations.

## **Conflicts of Interest**

In line with the MFSA Rules, the Investment Manager has implemented a Conflict of Interest Policy aimed at identifying and managing potential or possible conflicts of interest. In this regard, the Investment Manager has adopted effective systems and controls aimed at either preventing the possibility of such conflicts of interest from adversely affecting the interest of its clients and thus managing such conflicts of interest, or where this is not possible, to clearly disclose the nature and/or sources of such conflicts of interest to clients prior to effecting an investment in the Company. A copy of the Conflict of Interest Policy may be obtained from the offices of the Investment Manager.

## MANAGEMENT AND ADMINISTRATION

### The Directors

The Board is composed of the following persons:

| Name & Designation   | Curriculum Vitae  |
|----------------------|---|
| <b>Guido Mizzi</b>   | Mr Mizzi is a fellow of the Association of Chartered and Certified Accountants with an extensive career in the assurance, tax and business advisory profession, a career that spanned a period of thirty years, the last seven of which as senior and managing partner of the local representative firm of Arthur Andersen. Was engagement audit partner for some of the larger companies and national corporations in Malta that included banks, utility corporations and private companies involved in varied industrial and commercial undertakings. Was council member of the Malta Institute of Accountants for 14 years, member of the Accountancy Board for 4 years, member of the Institute of Financial Services Practitioners for 4 years and more recently member of the Quality Assurance Oversight Committee set up under the provisions of the Accountancy Profession Act.  |
| <b>Aldo Scardino</b> | Mr Scardino is a Chartered Banker with more than 33 years' experience in banking and financial services having held leadership roles in bank treasury management, stockbroking, investment banking, portfolio and fund management, custody and asset servicing, wealth management and trusts. He holds an honours degree in banking and finance from the University of Malta, an honours degree in financial services from the University of Manchester, a master's degree in financial management from the University of London SOAS, and an MBA from the University of Bangor. He is a visiting assistant lecturer at the University of Malta and is currently responsible for Bank of Valletta's international corporate banking business and customer value management.   |
| <b>Romeo Cutajar</b> | Mr Cutajar has been employed with Bank of Valletta plc (the, "BOV") since 1981. He has been involved in the area of investments since 1990, when he started as a trader at BOV's Treasury, and ultimately ended up heading the unit. In 2004, Mr Cutajar was promoted as Executive Head of Financial Markets Division broadening his responsibilities in the investment and financial markets. In 2011, Mr Cutajar was appointed Chief Officer Financial Markets & Investments, and sat on various committees including the Executive Committee, ALCO, BOVAM Investment Committee, and MMS Investment Committee. In 2015, Mr Cutajar was appointed Chief Officer Investment Services and amongst units related to investments (such as Wealth Management, Bancassurance, Stockbroking, etc.) he was also responsible for BOVAM and later on BOVFS. In 2021, Mr Cutajar's role has changed, and he is now responsible for the Bank's capital funding and issuance. |

|                       |  |
|-----------------------|--|
| <b>Anita Mangion</b>  | Ms Mangion is an experienced Strategy and IT consultant: specialised in Corporate Governance, Business Optimisation and Digital Transformation; passionate on ESG, FinTechs and Innovation. For almost two decades, she consulted in such matters diverse local and international entities where she successfully drove enterprise-wide projects and implemented sustainable profitable frameworks. Her professional career started at MFSA and the Malta Stock Exchange before moving to senior roles in the Telecoms and IT sector and subsequently to advisory where she collaborates with Tech Giants, C-suite executives and boards. Ms. Mangion holds an Executive MBA (eBusiness); B.Com. Management Hons and B.Sc. Business and Computing (University of Malta). She served as board director at Malta Industrial Parks Limited (today named INDIS) from 2013 to 2017. Ms. Mangion is a Non-Executive Director at BOV's (appointed to BOV's Board in December 2016) and Non-Executive Director at Vilhena Funds SICAV plc (appointed in February 2022) |
| <b>Carol Farrugia</b> | Mr Farrugia is an experienced professional in investment services. He obtained a Banking Diploma in 1974. Mr Farrugia worked with two licensed entities where he held executive directorships. Mr Farrugia sits on an Investment Committee of a locally licenced Collective Investment Scheme incorporating three underlying funds (Professional Investor Funds) owning shares in private companies registered in the European Union.  |
| <b>Arthur Ripard</b>  | An experienced professional with over fifteen (15) years international experience in finance and business management. Graduated in Accountancy in 2001, worked in various European offices of Ernst & Young Limited and subsequently held executive director positions for the insurance subsidiaries of Vodafone Group (LSE: VOD) and Assurant Inc (NYSE: A1Z).   |

The business address for the Directors is the same as the registered office of the Company as set out in this document.

Directors are non-executive.

### **The Investment Manager**

The Investment Manager (whose former name is Valletta Fund Management Limited) was incorporated in Malta on 6 June 1995 as a private limited liability company and has an authorised share capital of €1,250,000 and an issued share capital of €800,000. The Investment Manager was initially established as a joint venture between Bank of Valletta p.l.c. (holding 60% of its issued share capital) and Insight Investment Management Limited (holding 40% of its issued share capital) and is licensed by the MFSA to provide investment management services to UCITS Schemes. On 17 August 2016, Insight Investment Management Limited transferred its shareholding in the Investment Manager to Bank of Valletta p.l.c. and the Investment Manager was converted into (and is currently constituted as) a single member private exempt limited liability company. On 21 November 2016 the name of the Investment Manager was changed from Valletta Fund Management Limited, to its current name, BOV Asset Management Limited.

The Investment Manager qualifies as a 'Maltese Management Company' pursuant to the UCITS Regulations.

BOV Asset Management Limited was appointed as Investment Manager of the Company in relation to the Company's first Sub-Fund by virtue of an Investment Management Agreement dated 17 October 1997, as subsequently amended and/or supplemented from time to time. By virtue of the Investment Management Agreement, the appointment of BOV Asset Management Limited as Investment Manager entails the responsibility to carry on the general administration of the Company and to manage the investment and re-investment of the assets of each Sub-Fund.

The Investment Manager is entitled to receive a fee from each Sub-Fund, details of which are given in the respective Offering Supplements and to receive reimbursement from the Company of all its operating expenses, in connection with each Sub-Fund.

The Investment Management Agreement contains provisions indemnifying the Investment Manager against actions and claims not resulting from fraud, bad faith, failure to perform its obligations or improper performance thereof. In the absence of any of the foregoing, the Investment Manager will not be liable to the Company or any investor.

Either party is entitled to terminate the Investment Management Agreement by giving not less than six (6) months' notice in writing to the other to expire at any time. The Investment Management Agreement may also terminate or be terminated without notice upon the occurrence of certain specified events, for example, the insolvency of either party.

In line with the MFSA Rules, the Investment Manager has implemented a Conflict of Interest Policy aimed at identifying and managing potential or possible conflicts of interest. In this regard, the Investment Manager has adopted effective systems and controls aimed at either preventing the possibility of such conflicts of interest from adversely affecting the interest of its clients and thus managing such conflicts of interest, or where this is not possible, to clearly disclose the nature and/or sources of such conflicts of interest to clients prior to effecting an investment in the Company. A copy of the Conflict of Interest Policy may be obtained from the offices of the Investment Manager.

Furthermore, information regarding the Investment Manager's complaints handling procedure and best execution policy is available from the office of the Investment Manager free of charge.

The Manager maintains a policy (the "ESG Policy") which integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes in respect of Environmental, Social and Governance issues ("ESG"), where applicable. The ESG Policy forms an integral part of its investment process and seeks to mitigate ESG and sustainability risks by ensuring that the Manager only invests in companies or assets that are operated in an environmentally responsible manner, with respect for human rights and labour rights and providing good, healthy and safe working conditions and promote good governance conduct, always to the extent applicable and appropriate. Where applicable, consideration of potential ESG and sustainability risks related to a company or asset is integrated in the Manager's investment process, from transaction sourcing and selection to approvals and execution.]

The consideration of sustainability risks and opportunities, when applied, may have a material impact on long-term returns for Shareholders. Please refer to the section entitled 'Risk Factors' in this respect.

Potential risks are further identified in the due diligence process, by means of screening for ESG controversies or further ESG analysis as warranted in context of the specific

investments and addressed for each investment on a case-by-case basis pursuant to the Manager's risk management framework and ESG Policy.

In respect of the Company the Manager does not deem sustainability risks to be relevant to the Company and consequently does not make investments decisions in respect of the Company based on sustainability risks and does not consider the adverse impacts of sustainability factors on the returns it offers to its Shareholders as this does not fit in with any of the current investment strategies of the sub-funds of the Company.

The following are the Directors and Head of the Investment Manager:

- Alexandre Dergatcheff - Chairperson
- Mark Agius – Director & Head
- Anatoli Grech - Director
- Kenneth Farrugia - Director
- Mario Grima - Director
- Joseph Brincat – Director

#### Details Of Main Activities of the Directors of the Investment Manager Outside the Company

There are no details of main activities of the Directors of the Investment Manager outside the Company which are of significance with respect to the Company. Any conflicts are listed in this Prospectus.

#### Delegation by the Investment Manager

In terms of the Investment Management Agreement, the Investment Manager may delegate its powers of discretionary investment management and advice in relation to any Sub-Fund to a Sub-Manager. Details on any such delegation will be found in the relevant Offering Supplement.

#### **Custodian and Banker**

Bank of Valletta p.l.c. was incorporated in Malta as a limited liability company in 1974 under company registration number C 2833. It is licensed to carry on the business of banking as a credit institution in terms of the Banking Act and is a licensed custodian under the Act. It is the parent company of the Bank of Valletta Group, which is actively involved in the provision of a comprehensive range of financial services in Malta.

Bank of Valletta p.l.c. was originally appointed as the Custodian of the Company in relation to the Company's first Sub-Fund pursuant to the Custodian Agreement dated 17 October 1997, as the same was subsequently amended and/or restated from time to time. On the 22 February 2001, the parties agreed to replace the said agreement with a new agreement, as the same was amended and/or restated from time to time (the "**Custodian Agreement**"). By virtue of the Custodian Agreement, the appointment of Bank of Valletta p.l.c. as Custodian entails the responsibility to provide custody and safe keeping services in relation to the Company's assets.

The Custodian is entitled to receive a fee from the Company, details of which are given in the respective Offering Supplement and to receive reimbursement from the Company of all its operating expenses.

The Custodian Agreement contains provisions whereby the Company agrees to indemnify the Custodian against actions and claims not arising from bad faith, fraud, and failure to perform its obligations or improper performance thereof on the part of the Custodian. In the absence of the foregoing, the Custodian will not be liable to the Company or any investor. The Custodian and the Company are entitled to terminate the agreement by giving six (6) months' notice to the other in writing to expire at any time. The Custodian

Agreement may also terminate or be terminated, without notice, upon the occurrence of specified events, including the insolvency of the Custodian or the Company and the material breach of obligations under the Agreement.

### **The Administrator**

By an Agreement dated 1 October 2006 as subsequently amended from time to time, the Investment Manager appointed BOV Fund Services Limited as Administrator to perform certain administrative functions and services in relation to the Company and the Sub-Funds. BOV Fund Services Limited is a limited liability company, registered in Malta on the 27 September 2006 under company registration number C39623. The Administrator is recognised by the MFSA to provide fund administration services in terms of the Act.

The Administrator is a wholly owned subsidiary of Bank of Valletta p.l.c. The Administrator acts as administrator to various other collective investment schemes licensed in Malta.

The Administration Agreement contains provisions indemnifying the Administrator against actions and claims not resulting from fraud, wilful default, negligence including unjustifiable failure of the Administrator to perform in whole or in part their obligations under the Administration Agreement. In the absence of any of the foregoing, the Administrator will not be liable to the Investment Manager or the Company or any investor.

Either party is entitled to terminate the Administration Agreement by giving not less than six (6) months' notice in writing to the other to expire at any time.

### **Company Secretary**

As of the 2 November 2006, the Company appointed BOV Fund Services Limited as Company Secretary. The Company Secretary is authorised as a Class C Company Services Provider by the MFSA.

### **Legal Advisors**

Ganado Advocates are the Company's legal advisors as to Maltese law.

### **Auditors**

KPMG are the Company's Auditors.

### **MLRO**

The Money Laundering Reporting Officer of the Company is the Money Laundering Reporting Officer of the Administrator.

### **Indemnities**

The Company has agreed that with respect to any actions in which any of its Officers, Directors, employees and agents is a party, the Company shall indemnify and hold harmless such person against any loss, claim, damage, charge, liability or expense (including reasonable attorneys' and accountants' fees), judgements and amounts paid in settlement, provided such actions did not involve fraud, negligence or wilful default. Expenses may be paid by the Company in advance of the final disposition of such action if the indemnified person agrees to reimburse the Company in the event indemnification is not permitted.

The Company may purchase and maintain insurance in relation to the Directors against any liabilities asserted against them.

In addition, the Company has granted indemnities to the Investment Manager, the Administrator and the Custodian and each of their Directors, Officers, employees and agents in respect of actions brought against them in their respective capacities provided that such actions did not involve wilful misconduct, bad faith, gross negligence or material breach of their obligations and duties under the relative agreements.

## **CONFLICTS OF INTEREST**

The Directors, the Investment Manager, the Custodian, other companies within their respective groups and their officers and major Shareholders are or may be involved in other financial, broking, investment or other professional activities which, in the course of their business, will on occasion give rise to conflicts of interest with the Company.

In such circumstances, such persons will have appropriate regard to their respective obligations under the agreements appointing them to act in the best interests of the Company, so far as practicable having regard to their obligations to other clients or schemes, when potential conflicts of interest may arise. Having regard to these obligations, the Company may buy investments from or sell investments to such persons, provided that such dealings are on an arm's length basis and on terms no less favourable to the Company than could reasonably have been obtained had the dealing been effected with an independent third party. Such persons may also hold Shares in the Company. Should a conflict of interest arise, the Directors will endeavour to ensure that it is resolved fairly and that the Company shall not be disadvantaged.

## **CHARGES AND EXPENSES**

### **Remuneration of the Investment Manager**

The Investment Manager is entitled to receive a management fee equivalent to a percentage per annum of the Net Asset Value of each Sub-Fund as specified in each Offering Supplement. The management fee may be increased with the agreement of the Company and the Investment Manager on giving notice to the Shareholders in the relevant Sub-Fund.

The Investment Manager will also receive, for its services as registrar of the Company, a fee equivalent to a percentage per annum of the Net Asset Value of each Sub-Fund, as specified in each Offering Supplement.

No VAT is currently payable on either of such fees. However, if it does become payable, any unrecoverable portion thereof shall be at the charge of the Company. The Investment Manager will be responsible for the fees due to the Sub- Investment Managers.

In respect of specific Sub-Funds, the Investment Manager may be entitled to a performance fee, details of which shall be specified in the respective Offering Supplement.

The Investment Manager has a remuneration policy, in line with the provisions of the UCITS Directive, in place.

### **Charges and Expenses on Target Collective Investment Schemes**

When the Company, on behalf of a Sub-Fund, invests in the shares of other CISs managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, or by any affiliation, the Investment Manager or other company shall not charge management, subscription fee and/or, repurchase fees on account of the investment by the Company on behalf of the Sub-Fund in the shares of such other CISs, as the case may be.

If the Company, on behalf of a Sub-Fund, invests a substantial proportion of its net assets in other CISs, the maximum level of management fees that may be charged to the Sub-Fund by such CISs, will be set out in the relevant Offering Supplement. Details of such fees will also be contained in the Company's annual report. Furthermore, where a commission is received by the Investment Manager by virtue of an investment in the shares of another CIS on behalf of a Sub-Fund, that commission shall be paid into the property of the relevant Sub-Fund.

### **Third Party Compensation**

The Investment Manager reserves the right to pay or waive at its sole discretion any part of its compensation to persons who may or may not be associated with the Investment Manager, or with whom it may contract, for services rendered to the Investment Manager or any Sub-Fund.

### **Remuneration of the Custodian**

The Custodian will receive, for safe keeping of the assets of each Sub-Fund and other services, a custody fee at varying rates based on the value of the assets of each Sub-Fund, in accordance with the details set out in the relevant Offering Supplement. No VAT

is currently payable on such fees. However if it does become payable, any unrecoverable portion thereof shall be at the charge of the Company.

### **Remuneration of Directors**

The Directors of the Company shall receive for their services such remuneration as may be determined by the Company in general meeting from time to time subject to a maximum of €95,000 per annum in aggregate. In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses incurred in attending meetings of the Directors and general meetings of the Company.

### **Audit and Legal Fees**

Audit fees shall be agreed between the Investment Manager, Directors and the Auditors. Legal fees shall be agreed between the Investment Manager, Directors and the legal advisors and will be negotiated on a time-spent basis. Audit and legal fees will be paid out of the property of the Company. Any unrecoverable VAT, which may be incurred thereon, shall also be at the charge of the Company.

### **Other Expenses**

The Investment Manager, the Custodian, the Administrator and the Sub- Investment Managers are entitled to recover reasonable out-of-pocket expenses out of the assets of the Sub-Funds incurred in the performance of their duties.

The Company shall bear the following expenses, save to the extent that such expenses may be waived or otherwise discharged by any other person and not recovered from the Company:

- a) all taxes and expenses which may be incurred in connection with the acquisition and disposal of the assets of the Company;
- b) all taxes which may be payable on the assets, income and expenses chargeable to the Company;
- c) all brokerage, bank and other charges incurred by the Company in relation to its business transactions (including charges in relation to any borrowing by the Company);
- d) all fees and expenses due to any valuer, dealer, distributor or other supplier of services to the Company;
- e) all expenses incurred in connection with the publication and supply of information to the Shareholders and, in particular, without prejudice to the generality of the foregoing, the cost, if any, of printing and/or distributing the annual reports, the interim reports, any report to the MFSA or any other regulatory authority, or any other reports, any prospectus, marketing or promotional materials, the costs of publishing quotations of prices and notices in the financial press and the costs of obtaining a rating for the Shares of the Company by a rating agency and all stationery, printing and postage costs in connection with the preparation and distribution of warrants, tax certificates and statements;
- f) all expenses incurred in the registration of the Company with any government agencies or regulatory authorities in any jurisdiction where registration is available or necessary and all expenses incurred in having the Shares of the Company listed or dealt on any stock exchange or any other regulated market;

- g) all expenses arising in respect of legal or administrative proceedings;
- h) all expenses incurred in connection with the operation, promotion and management of the Company, including, without limitation to the generality of the foregoing, all Directors' fees and costs, all costs incurred in organising Directors' and Members' meetings and in obtaining proxies in relation to such meetings, costs incurred in keeping the register of Shareholders, costs of any translations, all insurance premiums and association membership dues and all non-recurring and extraordinary items of expenditure as may arise; and
- i) any unrecoverable VAT which may be incurred on any of the above shall also be at the charge of the Company.
- j) all expenses relating to transaction and safe custody fees incurred by the Custodian in relation to global custody services.

Where such costs and expenses are attributable to a particular Sub-Fund, they will be charged to that Sub-Fund. Where costs and expenses relate to matters common to more than one Sub-Fund these will be apportioned in such manner and on such basis as the Directors, in their discretion, deem fair and equitable.

All expenses shall be charged either against income or against capital as the Directors shall determine.

The costs and expenses incurred in the issue of Shares of each Sub-Fund, including the costs incurred in connection with the preparation of the Prospectus and all legal and printing costs, as well as the costs incurred in respect of all marketing material, are paid out of the assets of each respective Sub-Fund. These costs and expenses are charged to the respective Sub-Fund in accordance with the rules laid down by the Companies Act, Cap 386 of the Laws of Malta.

## **TAXATION**

### **General**

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation applicable to the acquisition, holding and disposal of Shares as well as distributions, if any, made by the Company.

The following is a summary of the anticipated tax treatment applicable to the Company and to its Shareholders in Malta. This information which does not constitute legal or tax advice, refers only to Shareholders who do not deal in securities in the course of their normal trading activity.

The information below is based on tax law and practice applicable in Malta at the date of this Prospectus. Shareholders of the Company are reminded that tax law and practice and the levels of tax relating to the Company, its Sub-Funds and the Shareholders, may change from time to time.

### **The Company**

The tax regime for collective investment schemes in Malta is based on the classification of Sub-Funds into prescribed or non-prescribed Sub-Funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended). In general, a prescribed Sub-Fund is defined as a resident Sub-Fund which has declared that the value of its assets situated in Malta amount to at least eighty-five per cent of the value of the total assets of the Sub-Fund.

In respect of Sub-Funds which are classified as non-prescribed Sub-Funds for Maltese income tax purposes, a tax exemption at the Sub-Fund level applies on all the income/gains (except for income from immovable property situated in Malta, if any).

Investment income (other than investment income paid by another licensed collective investment scheme) as defined in the Income Tax Act received by a prescribed Sub-Fund is subject to a withholding tax and such income cannot be received by the Sub-Fund gross of tax. The applicable rate of withholding tax is currently 15% on local bank interest and 10% on investment income (as defined) other than local bank interest. The Company (whether in respect of prescribed or non-prescribed Sub-Funds) is not entitled to a credit or to a reSub-Fund of any tax at source deducted from income received by the Company. Other income and capital gains (except for income from immovable property situated in Malta, if any) remain exempt in the hands of prescribed Sub-Funds.

In respect of both prescribed and non-prescribed Sub-Funds, capital gains, dividends, interest and any other income from foreign securities held by the Company may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Company or its Shareholders under Maltese domestic tax law.

### **The Shareholders**

Capital gains realised on transfers or redemptions by non-residents of Shares in the Company, whether in respect of units in prescribed or non-prescribed Sub-Funds, are exempt from Maltese income tax subject to the satisfaction of certain statutory conditions.

Capital gains realised by resident Shareholders of the Company on the redemption, liquidation, or cancellation of units in non-prescribed Sub-Funds may be subject to a 15% withholding tax and the obligation to deduct such tax at source lies on the

Company. However, the resident unit holder has the option to request the Company not to effect the deduction of the said 15% withholding tax in which case the investor would be required to declare the capital gains in his income tax return and will be subject to tax at the normal rates.

Switching of units from a non-prescribed sub-fund to another sub-fund (whether prescribed or non-prescribed) of the Company constitutes a taxable transfer for income tax purposes. However, no tax is chargeable at the point of the switch. When switched securities are eventually disposed of, the calculation of the taxable capital gains will take into account any chargeable capital gains or allowable capital losses arising from all intermediate switches as well as from the final transfer.

Capital gains realised on direct transfers (if any) of securities in non-prescribed funds to third parties must be declared by the transferor in his tax return and tax is charged thereon at normal rates, so however that on an eventual redemption, the gain on redemption is calculated without reference to the direct intermediate transfer.

Capital gains realised by resident investors by way of a transfer or redemption of shares in prescribed sub-funds would be exempt from Maltese tax for as long as the Shares are listed on the Malta Stock Exchange.

In respect of those sub-funds which distribute dividends from the Company's distributable profits, whether these are reinvested or otherwise, to Shareholders (both individual and corporate) who are both domiciled and ordinarily resident in Malta for tax purposes are chargeable to tax under Maltese law.

However, in terms of the Income Tax Act, dividends from Malta source taxed profits or profits received by the Company from the foreign income account of another Maltese company, should inter alia not be subject to a withholding tax or to further tax in the hands of the Shareholders. In the case of distributions from the Company's Final Tax Account (income allocated to such an account would include inter alia "investment income" as defined in the Income Tax Act received by a prescribed sub-fund) no further tax is incurred in the hands of the shareholders but the shareholders should not be entitled to claim a credit or refund of any tax directly or indirectly paid on such profits.

On the other hand, distributions from the Company's foreign source profits allocated to the Company's Untaxed Account to a Maltese resident person (other than a company) or to a non-resident person who is owned and controlled by, directly or indirectly, or who acts on behalf of an individual who is ordinarily resident and domiciled in Malta, should inter alia be subject to a withholding tax of 15%. The withholding tax should be deducted by the Company and the dividend would be passed on to the Shareholders net of the tax. The Maltese resident investor (other than a company) may opt to declare such dividends paid from the Untaxed Account of the Company in the income tax return and in that case the 15% withholding tax would be available as a credit (or refund, as the case may be) against the investor's tax liability.

Distributions from the Company's equalisation reserve are treated as dividends for income tax purposes and should be subject to a withholding tax of 15% when paid to a Maltese resident person (other than a company). The Maltese resident investor (other than a company) has the option to declare such a dividend in the income tax return with the 15% withholding tax being available as a credit (or a refund, as the case may be) against the investor's tax liability.

## **Exchange of information**

The Company may be obliged in terms of the Savings Directive (Council Directive 2003/48/EC of 3 June 2003) to report inter alia the following information to the Maltese Authorities when paying interest payments (as defined in the Savings Directive) to an individual (being the beneficial owner) resident in a Member State other than Malta:

- the identity and residence of the beneficial owner;
- the name and address of the paying agent;
- the account number of the beneficial owner (or identification of the debt claim);
- information concerning the interest payment.

Interest payments include distributed income by a UCITS derived from interest payments and income realised on the sale/refund/redemption of securities in a UCITS that invests more than 25% (as from 1 January 2011) of its assets in debt claims (as defined in the Savings Directive).

## **AML-CFT, SANCTIONS AND DATA PROTECTION**

### **Anti-Money Laundering and Counter Terrorist Financing Measures**

The Company is a subject person in terms of the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) (the "**PMLA**") and the Prevention of Money Laundering and Funding of Terrorism Regulations (S.L. 373.01 of the Laws of Malta (the "**PMLFTR**"). Consequently, it is required to comply with the obligations which arise from the PMLFTR and the Implementing Procedures issued by the Financial Intelligence Analysis Unit (the "**Implementing Procedures**").

The PMLFTR issued in terms of the PMLA, flesh out the obligations, policies and procedures to be adopted by subject persons in the course of their business activities. They also provide high level requirements for the (i) identification and verification of the investor and, where applicable, the beneficial owner, (ii) the establishment of the purpose and intended nature of the business relationship, including obtaining information (and where required, documentation) in relation to the source of funds and source of wealth of the investor and building a risk profile of the investor (iii) internal record keeping, and (iv) internal and external reporting of suspicious transactions or activities.

All prospective investors will be subject to customer due diligence in accordance with the policies and procedures established by the Company from time to time. Investors will also be subject to ongoing customer due diligence checks in fulfilment of the Company's ongoing monitoring obligation. The level and type of customer due diligence and the level of verification required may vary according to the investor's money laundering ("**ML**") and funding of terrorism ("**FT**") risk profile.

The specific requirements include, *inter alia*, the fundamental requirement to conduct suitable investor due diligence, including the requirement to identify and verify the investor, which extends, for any 'non-individual' investor, to the ultimate beneficial owner(s) of the monies invested. The Company has appointed the Administrator to assist in the performance of Investor due diligence. In this respect, the Administrator may request information from the prospective investor or the investor, in order to satisfy its and the Company's regulatory obligations.

The Company is also obliged to obtain information on the purpose and intended nature of the business relationship to be in a position to establish the business and the AML risk profile of the investor and to obtain information on the investor's source of wealth and source of funds. Through such checks, the Company should be able to verify whether the funds being invested by the prospective investor or investor have been obtained from legitimate sources. In fulfilment of its ongoing monitoring, the Company will also assess all additional subscriptions, redemption and transfer of shares requests.

The Company (and/or its delegates, such as the Administrator) reserves the right to request such information, documentation and/or data as is necessary to verify the identity of a prospective investor, any underlying beneficial owner of the investor and/or the source of funds and source of wealth of the investor and/or the ultimate beneficial owner. The Company (and/or its delegates) may also request such identification evidence in respect of a transferee of Investor Shares.

In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Administrator may refuse to accept or delay the acceptance of the Application Form, or (as the case may be) to register the relevant transfer of Investor Shares, and in the case of a subscription for Investor Shares, and subject to compliance with the applicable legislation, any funds received will

be returned without interest to the account from which the monies were originally debited.

Where, following receipt of subscription monies and prior to the issuance of Investor Shares, the Administrator is not satisfied with the AML documentation, the money may be held in the account to which it was remitted, and the subscriber will bear all associated risks. The Company has absolute discretion to determine whether, in the light of its AML obligations, it has sufficient documentation in hand to allow the issuing of Investor Shares.

It must also be noted that, in the event that a redemption request is received from an Investor who in the opinion of the Company has failed to submit all the required AML documents, although the redemption will be acted upon, the redemption proceeds cannot be remitted to the Investor until all documents requested have been received or necessary verifications made. The redemption proceeds will be held accordingly, and the Investor will bear all associated risks.

It is a regulatory requirement to report suspicious transactions or activities to the competent authorities, and any relevant data in this regard may need to be transferred to the relevant regulators.

### **Sanctions**

The Company is also subject to the obligations as set out in the National Interest (Enabling Powers) Act (Chapter 365 of the Laws of Malta) ("**NIA**"). In this respect, the Company is required to comply with the sanctions imposed in terms of (i) the United Nations Security Council Resolutions, (ii) the Regulations of the Council of the European Union and (iii) the regulations issued by the Minister of Foreign Affairs in Malta, upon the recommendation of the Sanctions Monitoring Board and of the Attorney General.

In addition to the above mentioned sanctions, the Company (through the Administrator) also screens prospective investors, Subscribers and persons owning or controlling the prospective Investor and/or Subscriber] against the sanctions imposed by the US Office of Foreign Assets Control ("**OFAC**") (collectively with the Sanctions imposed by the United Nations, the European Union and the Minister of Foreign Affairs, "**Sanctions Lists**").

The Company is obliged to refuse to make any redemption payment or distribution to an investor, if the payment of any redemption or distribution moneys to such investor may result in a breach or violation of any applicable anti-money laundering laws or the sanctions imposed by the United Nations Security Council, the Council of the European Union, the Minister of the Foreign Affairs, and/or OFAC.

The Subscriber is advised that, the Company may be obliged, either by law or due to its commitment to comply with any other non-mandatory sanctions, to "freeze the money" of such Subscriber, either by prohibiting additional investments from the subscriber, declining any redemption requests from the subscriber, suspending the payment of redemption proceeds payable to the subscriber, and/or segregating the assets in the account in compliance with governmental regulations. The Subscriber is advised that the above measures may be applied in the event that the Subscriber, the ultimate beneficial owner, and/or any person owning or controlling the Subscriber is a designated person in terms of any of the Sanctions Lists. By subscribing into the Company, the Subscriber consents to such freezing of assets in accordance with the relevant sanctions regime. The Company may also be required to report such action and to disclose the Subscriber's identity to the Sanctions Monitoring Board or other applicable governmental and regulatory authorities.

## **Data Protection**

In the course of business, the Company and/or any of its delegates and/or service providers may collect, record, store, adapt, transfer and otherwise process information by which prospective investors may be directly or indirectly identified ("personal data"). The Company is a "data controller", within the meaning of Data Protection Legislation, and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation. Notwithstanding the foregoing, the Company may act as joint data controller with the Investment Manager.

Personal data relating to Investors may be handled by data processors appointed by the Company and its or their duly appointed agents and any of their respective related, associated or affiliated companies. Such data processors include the Administrator, the Investment Manager (if applicable) and their delegates, agents or affiliates. These data processors will handle personal data in accordance with applicable Data Protection Legislation.

The Company and/or any of its delegates may process an investor's personal data for any one or more of the following purposes and legal bases:

- (a) Operating the Sub-Funds, including managing and administering an investor's holding in the relevant Sub-Fund and any related accounts on an on-going basis (i.e. for the performance of the Company's contract with the investor);
- (b) To comply with any applicable legal, tax or regulatory obligations, including legal obligations under company law, anti-money laundering legislation, taxation laws and financial services regulations;
- (c) For any other legitimate business interests of the Company or a third party to whom the data is disclosed, where such interests are not overridden by the interests of a data subject, including for statistical analysis (including data profiling) and market research purposes; or
- (d) For any other specific purposes where investors have given their specific consent. Where processing of personal data is based on consent, the investors will have the right to withdraw it at any time.

The Company and/or any of its delegates or service providers may disclose or transfer personal data, whether in Malta or elsewhere (including companies situated in countries outside of the EEA), to third parties, including financial advisers, regulatory bodies, taxation authorities, auditors, technology providers or to a Sub-Fund or the Company's delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above.

Please note that investors' personal data will be retained by the Company for the duration of their investment and otherwise in accordance with the Company's legal obligations including, but not limited to, the Company's record retention policy. In determining appropriate retention periods, the Company shall have regard to the purpose(s) for which it was collected, the prescriptive periods under Maltese law (statutes of limitation) and any statutory obligations to retain information, including anti-money laundering, revenue and tax legislation. The Company will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an investor's consent, that investor has the right to withdraw it at any time. Investors have the right to request access to their personal data kept by Company; and the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability.

The Company and/or any of its delegates will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or

appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Andorra, Argentina, Canada (limited to commercial organisations), Faroe Islands, Guernsey, Israel, Isle of Man, Japan, Jersey, New Zealand, Switzerland, and Uruguay, as providing adequate protection. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is Privacy Shield-certified. If a third country does not provide an adequate level of data protection, then the Company and/or any of its delegates will rely on the "Model clauses" (which are standardised contractual clauses, approved by the European Commission) or Binding Corporate Rules or one of the other alternative measures provided for in Data Protection Legislation.

Where processing is carried out on behalf of the Company, the Company shall engage a "data processor", within the meaning of Data Protection Legislation, who provides sufficient guarantees to implement appropriate technical and organisational security measures in such a manner that processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to only process personal data on documented instructions from the Company.

As part of the Company's business and ongoing monitoring, the Company may from time to time carry out automated decision-making in relation to investors, including profiling of investors, and this may result in an investor being identified to tax revenue and law enforcement authorities, and the Company terminating its relationship with the investor.

Investors are required to provide their personal data for statutory and contractual purposes. Failure to provide the required data will result in the Company being unable to permit the investor's investment in the Sub-Funds and this may result in the Company terminating its relationship with the investor. Investors have a right to lodge a complaint with the Information and Data Protection Commissioner in Malta if they are unhappy with how the Company is handling their data.

If you have any queries regarding this data protection notice, please contact the Directors at the address provided in the Directory.

## **GENERAL INFORMATION**

### **Share Capital**

The authorised Share capital of the Company is 500,000,000 Shares with no nominal value, which may be issued as Shares of any class representing any Sub-Fund.

The paid up Share capital of the Company shall at all times be equal to the Net Asset Value of the Sub-Funds as determined in accordance with the Articles.

All Shares are in registered form.

The Directors shall be entitled to issue fractional shares to three decimal places. The Company may issue fractional shares in accordance with the articles and regulations prescribed from time to time. Fractional shares issued by the Company shall have no voting rights.

The Directors shall exercise all the powers of the Company to allot or issue Shares in the Company. The maximum number of Shares which may be allotted or issued by the Directors shall not exceed the amount of 500,000,000 Shares, provided, however, that any Shares which have been repurchased shall be deemed never to have been issued for the purpose of calculating the maximum number of Shares which may be issued.

The Directors have delegated to the Investment Manager the duties of accepting the subscription for, receiving payment for and allotting or issuing new Shares.

No person shall be recognised by the Company as holding any Shares on trust and the Company shall not be bound by or recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Shares or (except only as otherwise provided herein or as may be required by law) any other right in respect of any Share, except an absolute right of title thereto in the registered holder. Nothing in the foregoing shall be construed as prohibiting the Company from recognising and/or acknowledging a pledge on its Shares.

The Directors shall not be bound to register more than four persons as joint holders of any Share or Shares. In the case of a Share or Shares held jointly by several persons, the Directors shall not be bound to issue more than one written confirmation of ownership or Share certificate (if requested) for a Share or Shares and the delivery thereof to the first named of several joint holders shall be sufficient delivery to all.

### **Characteristics of the Shares**

#### Classes

With the prior approval of the MFSA, the Directors may, from time to time, establish further classes of Shares and/or Sub-Funds by the issue of separate classes of Shares of the Company on such terms as the Directors may resolve.

#### Voting Rights and Class Meetings

Rules for the calling and conduct of meetings of Shareholders are contained in the Articles. All Shares in the Company shall entitle their holder to receive notice, to attend and vote at general meetings of the Company. At a meeting of Shareholders, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded by the Chairman or by any Shareholder/s present representing at least one tenth in number or value of the Shares in issue having the right to vote at the

meeting. On a show of hands every Shareholder, whether present in person or by proxy, shall be entitled to one vote. On a poll every Shareholder who is present in person or by proxy has one vote for every complete undivided Share in the property of the relevant Sub-Fund. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. Fractional Shares and lightweight Shares (if any) shall not carry any voting rights.

The voting rights of Shareholders described above apply to class meetings for each Sub-Fund as well as to the Company as a whole. The rights attaching to any class or classes of Shares constituting a Sub-Fund may only be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Shares of that class.

#### Ownership of Shares in the Company

The Directors in their personal capacities, or entities in which the Directors may have a management or financial interest, may from time to time invest in the Company and may increase or decrease such holdings without notice.

Ownership of Shares in the Company will be evidenced by book entries in registers of the Company maintained by the Administrator and Shares will not be certificated.

Pledges of Shares will also be evidenced in the same manner.

#### Annual General Meeting

A general meeting of all the holders of voting Shares in the Company shall be held at least once every year, in Malta or such other place as shall be determined by the Directors. At this meeting there shall be discussed matters requiring the approval of these Shareholders according to the Articles and the Companies Act, including the audited accounts of the Company and its Sub-Funds.

Holders of voting Shares in the Company may attend in person or by proxy. All the holders of voting Shares shall be entitled to one (1) vote per Share held. Shareholders will not be entitled to vote on matters exclusively relating to particular Sub-Funds in which they do not hold any Investor Shares.

Notice of the meeting will be sent to all holders of voting Shares included in the Register of Members held by the Company, at least 21 days before the date of the relevant Annual General Meeting.

#### **Winding Up**

The Company may be wound up either voluntarily or under supervision or by the Court. On a winding-up, a liquidator will be appointed firstly to pay the debts of each Sub-Fund and the Company and then to distribute the assets of each Sub-Fund amongst the Shareholders, pro rata to the holders of the Shares of each class in that Sub-Fund and pro rata to the number of Shares in that class held by them in accordance with the valuation provisions of the Articles of the Company.

#### **Mandatory Redemption**

If at any time the Net Asset Value of the Company, a Sub-Fund, or any class of Shares (whether or not constituting a Sub-Fund) shall be less than ten million Euro (€10,000,000) (or its equivalent) the Company may, by not less than four nor more than six weeks' notice (expiring on the Dealing Day) to all Members of the Company or the

Sub-Fund (as the case may be) given within four weeks after the expiry of the said period, repurchase all the Shares in that class not previously repurchased.

### **Investor Profile**

The Sub-Funds are designed to be marketable to retail investors.

### **Annual and Interim Reports and Financial Statements**

The Accounting Reference Date adopted by the Company is the 30 April.

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards and are audited annually at the Company's expense by an independent firm of auditors. The Company will also issue unaudited half-yearly financial statements.

The Annual Report will be published within 4 months after the end of the Accounting Period. The half-yearly unaudited financial statements will be published within 2 months after the date on which they are to be prepared.

Copies of the annual report issued by the Company as of the last day of AUGUST in each year will be made available to registered Shareholders and to the MFSA within a maximum period of 4 months from that date and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. In terms of the MFSA Rules, the Company is also required to prepare unaudited half-yearly financial statements covering the first 6 months of each financial year (i.e. as at the last day of August of each year) and to send the same to Shareholders within 2 months from the end of the period to which they relate.

### **General**

- (i) The Company has not since its incorporation been engaged in, or is currently engaged in, any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (ii) The Company does not have, nor has it had since incorporation, any employees.
- (iii) Save as disclosed above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.
- (iv) The Directors are not required to hold any qualification Shares. There is no age limit at which the Directors are required to retire.
- (v) At the date of this Prospectus, the Company has no liabilities under acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.
- (vi) The following Directors of the Company and the Investment Manager have disclosed the following interests:
  - Mr. Simon Azzopardi is a director of the Investment Manager, a director of the Fund Administrator, and a Chief Officer of Bank of Valletta p.l.c. Mr Azzopardi sits on Bank of Valletta's Management Committee.
  - Mr. Anatoli Grech is a director of the Investment Manager, the Fund Administrator, and a Chief Officer of Bank of Valletta p.l.c. Mr Grech sits on Bank of Valletta's Management Committee.
  - Mr. Romeo Cutajar, is Director of the Company and, is a Chief Officer of Bank of Valletta p.l.c.
  - Mr. Kenneth Farrugia, is Director of the Investment Manager, a Director of the Fund Administrator, and the Chief Executive Officer of Bank of Valletta p.l.c. Mr Farrugia sits on Bank of Valletta's Management Committee.

- (vii) Complaints concerning the operations of the Company may be submitted to the attention of the Investment Manager.

### **Compliance Officer**

The Company is required to appoint an individual resident in Malta as its Compliance Officer. The Company has appointed Dr Paul Magro as its Compliance Officer. The Compliance Officer shall act as point of liaison between the MFSA and the Company, receive any instructions from the MFSA, provide any information to MFSA as may be requested by the MFSA from time to time and generally to ensure compliance by the Company with the licence conditions arising from the MFSA Rules.

### **Remuneration Policy of the Investment Manager**

The Investment Manager has a remuneration policy in place to ensure compliance with the UCITS Directive. This remuneration policy imposes remuneration rules on staff and senior management within the Investment Manager whose activities have a material impact on the risk profile of the Sub-Funds. The Investment Manager will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Sub-Funds, and will be consistent with the UCITS Directive. The Investment Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Company, the Sub-Funds and Shareholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy will be available at the following website: [www.bovassetmanagement.com](http://www.bovassetmanagement.com). The remuneration policy may be obtained free of charge on request from the Investment Manager.

### **Notices**

Any notice or other document (for the purpose of this clause, collectively referred to as the "**Documentation**") to be served on any Shareholder, (i) if served by post, shall be deemed to have been served 24 hours after the Documentation was posted and in proving such service it shall be sufficient to prove that such Documentation was properly addressed, stamped and posted and/or, (ii) if left at the registered address of the Shareholder, shall be deemed to have been served at the time of delivery, and/or (iii) if served by electronic mail, shall be deemed to have been served at the expiration of 24 hours after the Documentation was sent.

### **Access to Information**

All prospective investors shall be given full access to information appropriate for their consideration in determining whether to invest in the Company and its Sub-Funds. Accordingly, prospective investors may communicate in this regard with the Administrator in so far as the services of the Administrator are concerned.

In addition to the documents referred to in this Prospectus, certain additional documents will be made available to prospective investors upon written request. The Company or its representatives will also answer enquiries from prospective investors concerning matters relating to the Company.

### **Documents Available for Inspection**

Copies of the following documents will be available for inspection by prospective and existing investors or their representatives at the registered office of the Company, or at the offices of the Administrator:

- (1) Memorandum and Articles, and Certificate of Incorporation of the Company;
- (2) The latest Prospectus, and Offering Supplements for all Sub-Funds;
- (3) The Sub Investment Manager appointed by the Investment Manager in respect of a Sub-Fund;
- (4) All Key Investor Documents;
- (5) Investment Management Agreement;
- (6) Depositary Agreement/s;
- (7) Administration Agreement;
- (8) Pricing Policy;
- (9) Risk Management Policy;
- (10) Remuneration Policy;
- (11) Investment Services Act; and
- (12) The latest Annual and Half Yearly report of the Company.

### **Subscribers' Undertakings & Warranties**

Subscribers should take notice that by completing and executing the Subscription Application, the Subscriber is entering into the following undertakings and giving the following warranties:

- (1) The Subscriber irrevocably subscribes for the Investor Shares as specified in the Subscription Application, as may be determined in accordance with the Memorandum and Articles at the Initial Offering Price or, if this Application is made after the Closing Date, at the prevailing Subscription Price on the next Subscription Day following acceptance of this application by the Company. The Subscriber understands that fractional Shares may be issued.
- (2) The Subscriber acknowledges that Investor Shares will be issued on the applicable Subscription Day following receipt of the Subscription Application which must be received by the Company at the office of the Administrator no later than the Closing Date and thereafter within the deadlines stated in the relevant Offering Supplement.
- (3) The Subscriber acknowledges that the subscription monies must be received by the Company in Cleared Funds by no later than the Settlement Date and undertakes to ensure that full payment is received by such date. The Subscriber further acknowledges and accepts that if payment in full in Cleared Funds in respect of an application has not been received by the relevant Settlement Date or in the event of non-clearance, any allotment or issue of Shares made in respect of such application shall be cancelled and the Directors may charge the Subscriber for any expense incurred by the Company and for any loss to the Sub-Fund arising out of such non-receipt or non-clearance. Monies returned will be at the risk and expense of the Subscriber.
- (4) The Subscriber agrees that subscriptions and redemptions made in currencies other than the Base Currency of the relevant class of Investor Shares will be sold or purchased by the Company at market rates for the said designated currency and Investor Shares will be issued, or payment of redemption proceeds will be made, to the value of the said designated currency proceeds and the Subscriber accepts the exchange risk and costs relating to that transaction.
- (5) The Subscriber acknowledges and confirms receipt of, and that he has read, is familiar with and understands this Prospectus, the related Offering Supplement and the latest annual financial statements.

- (6) The Subscriber recognises that an investment in a Sub-Fund of the Company may involve a high degree of risk and has taken full cognisance of and understands all of the risk factors related to the purchase of Investor Shares, including but not limited to those set forth in this Prospectus under the heading "Risk Factors" and such other specific risk factors that may be set out in the Offering Supplement of the relevant Sub-Fund. In evaluating the suitability of an investment in the Company, the Subscriber has not relied upon any representations or other information (whether oral or written) other than as set out in this Prospectus.
- (7) The Subscriber has taken the advice of professional advisors who have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of this investment and the Subscriber is fully capable of assessing and bearing the risks involved in the Subscriber's own right or with the benefit of such professional advice received.
- (8) The Subscriber acknowledges the Minimum Initial Investment, Minimum Additional Investment and Minimum Holding applicable to the Sub-Fund as outlined in the related Offering Supplement.
- (9) The Subscriber warrants that it has the knowledge, experience, and expertise in financial matters to evaluate the risks and understands the relevant Sub-Fund's investment policy, has received, read and understood this Prospectus and the Offering Supplement relating to the relevant Sub-Fund and is aware of the risks inherent in investing in the Investor Shares relating to the Sub-Fund and the method by which the assets of the Sub-Fund are held and traded, as described in this Prospectus and the related Offering Supplement and the Subscriber can bear the risk of loss of his/her entire investment.
- (10) The Subscriber agrees that the Investor Shares hereby subscribed for will be held subject to the terms and conditions of the Memorandum and Articles as amended from time to time and that the Company will fully protect and indemnify its Directors, the Investment Manager and the Depositary including their delegates, against liability for all acts taken on his or its behalf, except for acts involving negligence or misconduct.
- (11) The Subscriber fully appreciates the Investment Manager's and the Company's rights to accept or reject all applications for subscription in its sole discretion.
- (12) The Subscriber agrees that no Investor Shares hereby subscribed for may at any time be transferred to any other person without first seeking the approval of the Company in accordance with the provisions of the part entitled "Transfer of Investor Shares" under the Section entitled "Purchase, Exchange and Transfer of Investor Shares".
- (13) The Subscriber acknowledges and accepts that no share certificates will be issued.
- (14) The Subscriber acknowledges and accepts that the Subscription Application is governed by Maltese law and hereby submits to the non-exclusive jurisdiction of the Courts of Malta.
- (15) The Subscriber confirms that, to the best of the Subscriber's knowledge and belief, the Subscriber's subscription monies are not, in whole or in part, the proceeds of drug trafficking or any other criminal activity, nor do they represent, in whole or in part, directly or indirectly, such proceeds.

- (16) If the Subscriber is an individual person, or is a nominee for an individual person, he warrants that he is, and the beneficial owners (if applicable) are, at the date of execution of the Subscription Application, greater of 18 years of age, or the minimum age permitted to enter into a legally binding and irrevocable contract, such as the Subscription Application, in his, or the beneficial owner's country of residence.
- (17) The Subscriber acknowledges that it has read and understood the part headed "AML-CFT, Sanctions and Data Protection" in the Prospectus, and further acknowledges that the Company, Administrator or other service provider to the Company may be required by the applicable laws and/or regulations or its internal policies and procedures to take further reasonable steps to establish the identity of the Subscriber or of any other person whom the Company, the Administrator or other service provider knows or has reason to believe is a person for whom or on whose behalf the Subscriber is acting and the Subscriber undertakes to co-operate with and assist the Company, the Administrator or other service provider in relation to such steps. The Subscriber acknowledges that the Company, the Administrator or other service provider shall be held harmless and indemnified by the Subscriber against any loss arising as a result of a failure to process the Subscription Application if any information required by the Company, the Administrator or other service provider has not been provided by the Subscriber. In this context, the Subscriber hereby agrees that it will provide the relevant information, documentation and/or data on the Subscriber or on any person or persons on whose behalf the Subscriber is acting, including but not limited to the information documentation and or data on the ultimate beneficial owners of such person and the source of wealth and source of funds of such person) immediately upon request.
- (17) The Subscriber acknowledges that if the Subscriber wishes to redeem his Investor Shares, but certain requested information has not been provided to the Company or the Administrator, the redemption will be acted upon but no monies will be paid to the Subscriber. Instead, the monies will be held in the Subscriber's name at the Company's account and the Subscriber will bear all associated risks.
- (18) The Subscriber confirms that, if it is a bank, insurance company, or other financial institution, or financial intermediary, and is regulated by an approved regulated body, subscribing for on behalf of another person as nominee, it has (i) verified the identity of that other person, and, where applicable, its ultimate beneficial owners, in accordance with applicable anti-money laundering laws and/or regulations. (ii) identified the source of wealth and source of funds of the person on whose behalf the Subscriber is acting, (iii) verified, on a risk sensitive basis, the source of funds and source of wealth of such person(s) and (iv) verified that the person(s) on whose behalf the Subscriber is acting (including its ultimate beneficial owners and related parties holding ownership of control over such person) is/are not subject to sanctions or adverse media. In the event that the person(s) above-mentioned are subject to any sanctions and/or adverse media reports, the Subscriber shall notify the Company and the Administrator of such sanctions and adverse media prior to submitting a subscription, redemption and/or transfer request.
- (19) The Subscriber consents to the release by the Remitting Bank from which the subscription was made to the Company and/ or the Administrator or other service provider of all evidence of the Subscriber's identity which said bank/ financial institution shall have retained. The Subscriber agrees that such evidence may further be furnished by the Company and/or the Administrator to any other service provider to the Company upon request, to enable such other service provider to meet its obligations under applicable laws and/or regulations.

- (20) The Subscriber hereby authorises the Company and the Administrator to obtain verification of any information provided by the Subscriber as part of its subscription application.
- (21) The Subscriber agrees to provide any other information that may be required from time to time in compliance with relevant regulations.
- (22) The Subscriber acknowledges that suspicious events are reportable, under the Maltese prevention of money laundering laws and regulations and, by way of example, failure to provide justification for the change of bank account, or a request to pay the proceeds into a bank account in a jurisdiction which the Subscriber is not a resident could be deemed suspicious and therefore would be reportable under the regulations and may cause the payment to be delayed or refused.
- (23) The Subscriber acknowledges that all information supplied to the Company and the Administrator will be subject to the protections of data protection legislation. The Subscriber further acknowledges that, should it be necessary, either to fulfil a legal requirement or to facilitate the efficient execution of the administrative functions, that data supplied may be transferred, to the extent necessary and in compliance with data protection legislation and the provisions of the Prospectus.
- (24) The Subscriber agrees that, where redemption requests made by the Subscriber are sent to the Company at the office of the Administrator by facsimile, the Subscriber shall immediately send the original such notice to the Company at the office of the Administrator by post or by courier but that the Administrator shall, nonetheless, be entitled, but not obliged, to treat such facsimile notice at face value and to act thereon if the original has not arrived by the relevant Subscription Day.
- (25) The Subscriber further acknowledges that no Subscription Application, and/or any other communication or instructions sent by the Subscriber to the Administrator will be deemed to have been received by the Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt. The Subscriber further agrees to indemnify and hold harmless the Company, the Investment Manager, the Administrator, their directors and other officers, servants, employees and agents from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature (other than those resulting from the gross negligence, fraud or wilful default of the Company, the Investment Manager, the Administrator, the Depositary, their directors or other officers, servants, employees or agents in its treatment of such facsimile notice) which may be imposed on, incurred by or asserted against the Company, the Investment Manager, the Administrator, the Depositary their directors or other officers, servants, employees or agents in its treatment of such facsimile notice.
- (26) The Subscriber understands and acknowledges that the terms, conditions and warranties in the Prospectus, the Offering Supplement and the Subscription Application (together "the Document") may only be amended if agreed and approved in writing by the Directors. If a Subscriber deems it necessary, for whatever reason, to request amendment of the Document, it must separately notify the Administrator of each requested amendment and the Administrator will take all necessary steps, including seeking approval by both the Investment Manager and the Directors, to determine whether each requested amendment is to be allowed. Unless and until the Subscriber receives such confirmation of

acceptance in writing, it is deemed that the existing unamended terms, conditions and warranties apply.

- (27) Legislation currently applicable to the Company and the Administrator requires that, as part of compliance thereto, certain documents must be monitored to ensure that they are timely and up-to-date. The Subscriber acknowledges that, in order to comply with this requirement, the Administrator and/or the Investment Manager will require that certain documents are delivered by the Subscriber to the Administrator and/or the Investment Manager on a periodic basis. The Administrator and/or the Investment Manager may contact the Subscriber to request such documents, and, by signing the Subscription Application, the Subscriber hereby confirms that it will provide the documents so requested on a timely basis. The Subscriber further acknowledges that failure to provide such documents could result in delays during the redemption process, as monies may not be remitted to the Subscriber until all requested documents are received and approved by the Administrator and/or the Investment Manager.

Further, if subsequent investments are made, the source of wealth/source of funds will need to be re-established, and failure to provide adequate information to the Company and the Administrator could result in delays during the redemption process similar to those outlined in the preceding sentence.

- (28) The Subscriber agrees to provide to the Company in a timely manner any documentation or other information that the Company or its Administrator may request in writing from time to time in connection with the Company's obligations under, and in compliance with, applicable laws and regulations, including without limitation, applicable tax laws of the Company's domicile, the U.S., United Kingdom ("UK") or any other relevant jurisdiction.
- (29) By executing the Subscription Application, the Subscriber agrees to waive any provision under applicable laws and regulations that would prevent or inhibit the Company's compliance with applicable law as described in this paragraph, including but not limited to by preventing either (i) the Subscriber from providing any requested information or documentation, or (ii) the disclosure by the Company and the Administrator of the provided information or documentation to applicable regulatory and/or governmental authorities as required by the applicable laws. In particular, but without limitation, the Subscriber agrees to provide any documentation or other information regarding himself, his Beneficial Owners and Controlling Persons requested by the Company or the Administrator in connection with the U.S. or UK Inter Governmental Agreement's or the Common Reporting Standard (together the AEOI Regulations) and any guidance, relating thereto and published from time to time, as well as any legislation, rules or practices adopted pursuant to any applicable intergovernmental agreement entered into in connection with the implementation of the AEOI Regulations.
- (30) The Subscriber agrees to complete and return, with the application form, the appropriate form(s), as included in the section 'Tax Forms' along with all related documentation, to the Administrator.
- (31) The Subscriber hereby agrees to indemnify and hold harmless the Company and the Administrator from any losses or damages suffered due to incorrect statement or information provided in respect of these matters.

## **APPENDIX I: DETERMINATION OF THE NAV**

The Company shall on each Valuation Day determine the Net Asset Value of each class of shares in the Company, which shall be the value of the Sub-Fund's assets less its liabilities divided by the number of Shares in issue. The Net Asset Value shall be expressed in the Base Currency (the currency in which the Shares of a Sub-Fund are designated or in such other currency as the Directors may determine) as a per Share figure for each class of Shares in issue (rounding down to up to the fourth decimal figure of the relevant Base Currency) and shall be determined for each Dealing Day in accordance with the Articles.

There shall be established a pool of assets for each Sub-Fund in the following manner:

- (i) The proceeds from the issue of Shares representing a Sub-Fund shall be applied in the books of the Company to that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions hereof;
- (ii) Where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Sub-Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Sub-Fund;
- (iii) Where the Company incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such a liability shall be allocated to the relevant Sub-Fund;
- (iv) Where an asset or a liability of the Company cannot be considered as being attributable to a particular Sub-Fund, such asset or liability, subject to the approval of the Custodian, shall be allocated to all the Company pro-rata to the Net Asset Value of each Sub-Fund;

Provided that all liabilities irrespective of the Sub-Fund to which they are attributable, shall (in the event of a winding up of the Company), unless otherwise agreed upon with the creditors, be borne by the Company as a whole and provided further that when issuing a class of Shares in regard to any Sub-Fund, the Investment Manager may allocate commission, duties and charges and ongoing expenses on a basis which is different from that which applies in the case of Shares in other Sub-Funds.

## **APPENDIX II: VALUATION OF ASSETS**

The Articles provide that the value of the assets comprised in a Sub-Fund shall be ascertained on the following basis:

Subject to the provisions of Article 0, the value of the assets comprised in a Sub-Fund shall be ascertained on the following basis:

### *Quoted Investments*

- a) the value of any Investment quoted, listed or normally dealt in, on or under the rules of an Approved Regulated Market shall be determined by the Investment Manager through any of the methods set out below, which choice shall be at the discretion of the Investment Manager:
  - i. by reference to: (1) the price appearing to the Investment Manager to be the latest available dealing price or closing price or the latest available middle quotation on such Approved Regulated Market, or (2) if an Investment is quoted, listed or normally dealt in, on or under the rules of more than one Approved Regulated Market, the last available price or closing price or the latest available middle quotation, on the Approved Regulated Market which, in the opinion of the Investment Manager, provides the principal market for such Investment; or
  - ii. by reference to prices (whether closing prices, last available prices, last traded price, middle quotations, bid, ask or otherwise) obtained from independent pricing sources deemed appropriate by the Investment Manager, including, without limitation, 'Refinitiv Evaluated Price Service' (REPS); 'Bloomberg Valuation Services' (BVAL); 'Bloomberg Generic Composite Rate' (BGN); 'Bloomberg BMRK', 'Composite Bloomberg Bond Trader' (CBBT); 'Thomson Reuters Pricing Service' (RRPS) ; and/or any different or alternative sources set out in the Valuation Policy ("Pricing Sources"), which Pricing Sources adopt different data, methods and/or pricing feeds to value securities; and
- b) in the case of any Investment which is quoted, listed, or normally dealt in, on or under the rules of an Approved Regulated Market but in respect of which, for any reason:
  - prices from Pricing Sources or the relevant Approved Regulated Market may not be available at any relevant time; or
  - the value thereof based on the said prices or quotations as described in paragraphs (a) (i) and (ii) above does not establish the fair value of any Investment in accordance with the principles and procedures set out in the Valuation Policy,

then the value thereof shall be determined by the Investment Manager in accordance with the principles and procedures set out in the Valuation Policy in place from time to time or by such independent valuer as may be appointed by the Investment Manager from time to time;

### *Unquoted Investments*

- c) the value of any Investment which is not quoted, listed or normally dealt in, on or under the rules of an Approved Regulated Market shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest

valuation thereof made in accordance with the provisions hereinafter contained. For this purpose:

- i. the initial value of such an Investment shall be the amount expended by the Sub-Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Company); or
- ii. the Investment Manager may at any time cause a valuation to be made of any such Investment in accordance with the principles and procedures set out in the Valuation Policy in place from time to time or by such independent valuer as may be appointed by the Investment Manager from time to time.

*Units in a Collective Investment Scheme*

- d) the value of each unit or share in any collective investment scheme which provides for the units or shares therein to be realised at any time at net asset value shall be the last published net asset value per unit or share or (if bid and offer prices are published) at a price midway between the last published bid and offer prices applicable to the Sub-Fund.

*Cash, deposits and similar property*

- e) cash, deposits and similar property shall be valued at their face value (together with accrued interest).

*Other Investments and General*

- f) other Investments shall be valued in such manner and at such time or times as the Investment Manager shall from time to time determine in accordance with the principles and procedures set out in the Valuation Policy in place from time to time;
- g) where any Investment has been agreed to be acquired or realised but such acquisition or disposal has not been completed, such Investment shall be included or excluded, as the case may be, and the gross acquisition or net disposal consideration included or excluded as the Investment Manager shall from time to time determine.
- h) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Investment Manager may have determined to amortise less the amount thereof which has previously been or is then to be written off.
- i) where an amount in one currency is required to be converted into another currency, the Investment Manager may effect such conversion using the latest available rates of exchange as the Directors shall determine at the relevant time except where otherwise specifically provided therein.
- j) where the current price of an Investment is quoted ex dividend or interest, there shall be added to the assets a sum representing the amount of such dividend receivable by the Sub-Fund but not yet received, and there shall be taken into account interest accrued on interest-bearing Investments up to the date at which the valuation is made unless such interest is included in the price or quotation referred to in paragraph a) above.

- k) there shall be added to the Investments the amount of income (if any) available for allocation in respect of the last preceding Accounting Period but in respect of which no allocation has been made.
- l) any amount of dividend which has been declared by the Company but not paid will continue to be treated as an asset until it is actually paid.
- m) financial derivative instruments shall be valued on the basis of the prices provided by the counterparty to the financial derivative instrument or on the basis of such principles and procedures as may be set out in the Valuation Policy;

*Deductions*

- n) there shall be deducted from the assets the total amount (whether actual or estimated by the Investment Manager) of any other liabilities properly payable including tax (if any) as in the estimate of the Investment Manager is chargeable in respect of the current or previous Accounting Period, outstanding borrowings, and accrued interest on borrowings (if any), but excluding liabilities taken into account in terms of sub-paragraph o) below;
- o) where, in consequence of any notice or repurchase request duly given, a reduction of the Sub-Fund by the cancellation of Shares has been or is to be effected but payment in respect of such reduction has not been completed, the Shares in question shall be deemed not to be in issue and any amount payable in cash or Investments out of the capital of the Sub-Fund in pursuance of such reduction shall be deducted.

For the purposes of this Article:

- a) monies payable to the Company in respect of the allotment or issue of Shares shall, until receipt on the Settlement Date, be deemed to be an asset of the relevant Sub-Fund;
- b) monies payable by the Company as a result of the cancellation of allotments or issues or on the compulsory repurchase or transfer of Shares or on repurchase of Shares shall, until settlement is made, be deemed to be a liability of the relevant Sub-Fund; and
- c) monies due to be transferred as a result of an exchange of Shares from one class to another in terms of Article **Error! Reference source not found.** shall, until the relevant Settlement Date, be deemed to be a liability of the first class and an asset of the second class.

Notwithstanding anything contained in Article (o) above, the Directors may, after consultation with the Custodian and the Investment Manager, adjust the value of any Investment or other property or permit some other method of valuation to be used if they consider that in the circumstances (including without limitation a material volume of subscriptions or requests for repurchase of Shares in the Sub-Fund; or the marketability of the Investments or other property; or such other circumstances as the Directors deem appropriate) such adjustment or other method of valuation should be adopted to reflect more fairly the value of such Investment or other property.

The Directors or the Investment Manager shall not be under any liability by reason of the fact that a value reasonably believed by them to be the correct value of any Investment may subsequently be found not to be correct.

Without prejudice to the Company`s, Directors`, or the Investment Manager`s general powers to delegate its functions under these Articles, the functions in relation to the calculation of Net Asset Value may be delegated to the Administrator, or to any other duly authorised person. In the absence of wilful misconduct or manifest error, every decision taken by the Company, the Directors, the Investment Manager, or any other duly authorised person in valuing the assets and liabilities and/or the Investment Manager or the Administrator in calculating the Net Asset Value shall be final and binding on the Company and on present, past or future Members.

The Company, the Directors, the Investment Manager, the Administrator and/or any other delegate shall not be responsible for any error in calculating the value of assets and the Net Asset Value, if the Company, the Investment Manager, the Administrator or other delegate has acted in good faith when making such calculations.

### APPENDIX III: QUALIFYING SHAREHOLDERS

The Articles provide that:

1. No Shares shall be allotted or issued to or transferred to or be beneficially owned by any U.S. Person. Each subscriber for Shares shall be required to certify that s/he is not acquiring such Shares on behalf of, or for the benefit of, a U.S. Person and that such subscriber will not sell nor offer to sell or transfer, pledge or otherwise assign such Shares in the United States or to, or for the benefit of, a U.S. Person. No transfer of Shares shall be recorded on the Register unless: -

(i) The seller shall certify to the Company that such sale is not being made directly or indirectly to a U.S. Person; and

(ii) The purchaser shall certify to the Company that he/she is not acquiring such Shares on behalf of or for the benefit of, a U.S. Person.

However, the Directors have the discretion to accept any U.S. Persons who are in the process of obtaining a Maltese citizenship.

2. The Directors shall have power (but shall not be under any duty) to impose such restrictions (other than a restriction on transfer which is not expressly referred to in the Articles) as they may think necessary for the purpose of ensuring that no Shares are acquired or held by any person as described in paragraph 1 above or paragraph 5 below.

3 The Directors may upon an application for Shares or on a transfer or transmission of Shares or at any other time and from time to time require such evidence or declarations to be furnished to them in connection with the matters stated in paragraphs 1 and 5 as they shall in their discretion deem sufficient.

4. If a person becomes aware that he is holding or owning Shares in contravention of the Articles he shall forthwith in writing request the Company to repurchase such Shares in accordance with the Articles or shall transfer such Shares to a person duly qualified to hold the same unless he has already received a notice under paragraph 5 below.

5. If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or beneficially by: -

(i) any person in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares; or

(ii) any person who is, or has acquired such Shares on behalf of or for the benefit of, a U.S. Person; or

(iii) any person or persons in circumstances which, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons whether connected or not, or any other circumstances appearing to the Directors to be relevant) in the opinion of the Directors might result in the Company or any Shareholder incurring any liability to taxation or suffering pecuniary or administrative disadvantages which the Company or such Shareholder might not otherwise have incurred or suffered; or

(iv) any person who does not supply any of the information or declarations required hereunder within seven days of a request to do so being sent by the Directors;

The Directors shall be entitled to give notice (in such form as the Directors deem appropriate) to such person or persons requiring him or them to transfer such Shares to a person who is qualified or entitled to own the same or to request in writing the repurchase of such Shares in accordance with the Articles.

6. If any person upon whom such a notice is served as aforesaid does not within 30 days of the date of such notice transfer such Shares or request in writing the Company to repurchase the Shares he shall be deemed forthwith upon the expiration of 30 days to have so requested the repurchase of all of his Shares which are the subject of such notice whereupon he shall be bound to deliver the Share certificate or confirmation of ownership in respect of the Shares to the Company forthwith and the Directors shall be entitled to appoint any person to execute such documents as may be required for the purposes of the repurchase. The deemed request to repurchase the Shares may not be withdrawn, notwithstanding that the determination of the Net Asset Value for such Shares may have been suspended.

7. Subject to any requisite official consents first having been obtained, settlement shall be effected by depositing the repurchase monies or proceeds of sale in a bank for payment to the person entitled upon such consents being obtained and, if relevant, against production of such evidence of ownership as the Directors may require representing the Shares previously held by such person, together with the repurchase request duly signed. Upon deposit of such repurchase monies as aforesaid such person shall have no further interest in such Shares or any of them or any claim in respect thereof except the right to claim without recourse to the Company the repurchase monies so deposited (without interest) upon such consents being obtained and against the production of the said evidence of ownership with the repurchase request duly signed.

8. The Directors may resolve that the provisions of the foregoing paragraphs shall be applied, in whole or in part, for a defined period or otherwise.

## **DIRECTORY**

### **Vilhena Funds SICAV p.l.c.**

*Registered Address*

Premium Banking Centre, 475, Triq il-Kbira San Guzepp, Santa Venera, SVR 1011,  
Malta.

### **Investment Manager & Registrar**

BOV Asset Management Limited  
58, Zachary Street, Valletta VLT 1130, Malta

### **Custodian & Banker**

Bank of Valletta p.l.c.  
58, Zachary Street, Valletta VLT 1130, Malta

### **Administrator & Company Secretary**

BOV Fund Services Limited  
58, Zachary Street, Valletta VLT 1130, Malta

### **Auditors and Tax Consultants**

KPMG  
Portico Building, Marina Street, Pieta PTA 9044, Malta

### **Legal Advisors**

Ganado Advocates  
171, Old Bakery Street, Valletta VLT 1455, Malta