

**FCS FUND SERVICES SICAV**

**Société d'investissement à capital variable incorporated in  
Luxembourg**

**PROSPECTUS**

**16 March 2016**

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No person is authorised to give any information other than that contained in the Prospectus and in documents referred to herein. The original English text of this Prospectus is the legal and binding version.

# FCS FUND SERVICES SICAV

## NOTE TO THE READERS

The main part of the Prospectus describes the nature of FCS Fund Services SICAV (the "**Fund**"), presents its general terms and conditions and sets out its management and investment parameters which apply to the Fund as well as to the different Compartments that compose the Fund.

The investment policy of each compartment of the Fund (each, a "**Compartment**"), as well as its specific features, is described in the relevant Compartment Appendix attached to this Prospectus.

The Appendices are an integral part of this Prospectus; they will be updated upon the amendment of each Compartment.

The directors of the Fund (the "**Directors**"), whose names appear hereafter, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

The shares of the Fund (the "**Shares**") are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Directors. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge from the registered offices of the Fund and the Management Company in Luxembourg.

The Fund is an open-ended investment company organised as a *Société d'Investissement à Capital Variable* (SICAV). The Fund is registered under Part I of the Law (as defined hereafter). The above registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund. Any representation to the contrary is unauthorised and unlawful.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession of this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

For further information, please refer to the Table of Contents on pages 6 and 7 of this Prospectus.

## FCS FUND SERVICES SICAV

### United States

The Shares have not been and will not be registered under the Securities Act of 1933 of the United States, as amended (the "**1933 Act**") or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person" except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(2) thereof.

The Fund will not be registered under the United States Investment Company Act of 1940 (as amended) (the "**1940 Act**") since Shares will only be sold to US Persons who are "qualified purchasers", as defined in the 1940 Act.

The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful. There will be no public offering of the Shares in the United States.

### Exercise of shareholders rights

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

### Distributor's use of nominees

The Fund and/or the Management Company may enter into agreements with certain distributors pursuant to which such distributors agree to act as, or appoint, nominees for investors subscribing for Shares through their facilities. In such capacity, such distributor may effect subscriptions, switches and redemptions of Shares in a nominee's name on behalf of individual investors, and request the registration of such operations on the share records of the Fund in such nominee name. Such nominee/distributor maintains its own records and provides the investor with individualised information as to its holdings of Shares in the Fund. Except where local law or custom prescribes the practice, investors may invest directly in the Fund and not avail themselves of a nominee service. Unless otherwise provided by local law, any Shareholder holding Shares in a nominee account with a distributor has a direct claim to the particular Shares subscribed for on its behalf by its nominee.

## FCS FUND SERVICES SICAV

### Data Protection

Pursuant to data protection law applicable in Luxembourg (including, but not limited to the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended), any personal data provided in connection with an investment in the Fund may be held on computer and processed by the Fund, the Management Company, the Investment Manager(s), if any, the Custodian, the Central Administration (each as defined in the section "Management and Administration" of this Prospectus) and their affiliates and agents (together hereafter the "**Entities**") as data processors or data controller as appropriate.

Personal data may be processed for the purposes of processing subscription and redemption orders, maintain registers of shareholders and of carrying out their services provided by the Entities as well as to comply with legal or regulatory obligations including, but not limited to, legal obligations under applicable company law, anti-money laundering law and FATCA (Foreign Account Tax Compliance Act), common reporting standard ("CRS") or similar laws and regulations (e.g. at OECD or EU level).

Personal data may also be used in connection with investments in other investment fund(s) managed by the Management Company or the Investment Manager(s) and their affiliates. Personal data shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as governmental or regulatory bodies including tax authorities, auditors, accountants, investment managers, investment advisers, paying agents and subscription and redemption agents, distributors as well as permanent representatives in places of registration and any other agents of the Entities who may process the personal data for carrying out their services and complying with legal obligations as described above.

Investors are also informed that, as a matter of general practice, telephone conversations and instructions may be recorded as proof of a transaction or related communication. Such recordings will benefit from the same protection under Luxembourg law as the information contained in this application form and shall not be released to third parties, except in cases where the Fund, the Management Company or/and the Central Administration are compelled or entitled by law or regulation to do so.

By subscribing and/or holding shares of the Fund, investors consent to the aforementioned processing of their personal data and in particular, the disclosure of their personal data to, and the processing of their personal data by the parties referred to above including affiliates situated in countries outside of the European Union which may not offer a similar level of protection as the one deriving from Luxembourg data protection law. Investors acknowledge that the transfer of their personal data to these parties may occur via, and/or their personal data may be processed by, parties in countries (such as, but not limited to, the United States) which may not have data protection requirements deemed equivalent to those prevailing in the European Union.

Investors acknowledge and accept that failure to provide relevant personal data requested by the Fund, the Management Company and/or the Central Administration in the course of their relationship with the Fund may prevent them from maintaining their holdings in the Fund and may be reported by the Fund, the Management Company and/or the Central Administration to the relevant Luxembourg authorities.

## **FCS FUND SERVICES SICAV**

Investors acknowledge and accept that the Fund, the Management Company or the Central Administration will report any relevant information in relation to their investments in the Company to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, CRS at OECD and EU levels or equivalent Luxembourg legislation.

Investors may request access to, rectification of or deletion of any personal data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection law.

Reasonable measures have been taken to ensure confidentiality of the personal data transmitted between parties mentioned above. However, due to the fact that the personal data is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection law as currently in force in Luxembourg may not be guaranteed while the personal data is kept abroad.

The Fund will accept no liability with respect to any unauthorised third party receiving knowledge and/or having access to the investors' personal data, except in the event of wilful negligence or gross misconduct of the Fund.

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing, subject always to applicable legal minimum retention periods.

# FCS FUND SERVICES SICAV

## Contents

1.	MANAGEMENT AND ADMINISTRATION.....	8
2.	LEGAL STATUS .....	9
3.	INVESTMENT OBJECTIVES AND FUND STRUCTURE.....	9
4.	ORGANISATION OF MANAGEMENT AND ADMINISTRATION.....	10
4.1.	Management Company .....	10
4.2.	Central Administration.....	11
4.3.	Custodian .....	11
4.4.	Investment Managers .....	12
5.	RIGHTS OF THE SHAREHOLDERS .....	12
5.1.	Shares .....	12
5.2.	Classes of Shares.....	14
5.3.	Minimum Subscription and Minimum holding .....	14
5.4.	General Meetings of Shareholders.....	14
6.	SUBSCRIPTIONS .....	15
6.1.	Prevention of Money Laundering and Terrorist Financing .....	16
7.	ISSUE PRICE .....	17
8.	REDEMPTIONS.....	17
9.	COMPULSORY REDEMPTION OF SHARES .....	19
10.	CONVERSION .....	20
11.	MARKET TIMING & LATE TRADING .....	21
12.	CALCULATION OF THE NET ASSET VALUE.....	22
13.	SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES .....	25
14.	INCOME DISTRIBUTION .....	26
15.	FUND EXPENSES .....	27
15.1.	Formation and launching expenses of the Fund .....	27
15.2.	Formation and launching expenses of additional Compartments .....	28
15.3.	Fees of the Management Company.....	28
15.4.	Fees for the Central Administration.....	28
15.5.	Fees of the Custodian.....	28
15.6.	Performance fee .....	28
15.7.	Other Operating Expenses .....	29
15.8.	Directors Remuneration .....	29
16.	TAX STATUS .....	29
16.1.	Taxation of the Fund.....	29
16.2.	Withholding tax .....	30
16.3.	Taxation of the Shareholders .....	30
16.4.	Non Luxembourg residents .....	31
16.5.	Automatic Exchange of Information.....	31
16.6.	US Foreign Account Tax Compliance Act .....	32
17.	BUSINESS YEAR .....	33
18.	PERIODICAL REPORTS AND PUBLICATIONS .....	33

## **FCS FUND SERVICES SICAV**

19.	LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND COMPARTMENTS .....	34
20.	DOCUMENTS AVAILABLE FOR INSPECTION .....	35
21.	INVESTMENT RESTRICTIONS .....	35
21.1.	Investment in eligible assets .....	36
21.2.	Investment in other assets .....	41
21.3.	Financial derivative instruments and use of techniques and instruments relating to transferable securities and money market instruments .....	43
21.3.1.	Options on transferable securities .....	44
21.3.2.	Financial Futures, Swaps and Options .....	44
21.3.3.	Techniques and Instruments for Hedging Currency Risks .....	46
21.4.	Risk Management Process .....	46
21.5.	Miscellaneous .....	47
22.	RISKS OF INVESTMENT .....	47
	APPENDIX I: FCS FUND SERVICES – FCS FLEX ABLE GROWTH SUB-FUND .....	55
	APPENDIX II: FCS FUND SERVICES SICAV – FCS FLEX ABLE GROWTH PLUS SUB-FUND .....	58

## FCS FUND SERVICES SICAV

### 1. MANAGEMENT AND ADMINISTRATION

<b>Registered Office:</b>	33A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
<b>Board of Directors:</b>	
<b>Chairman:</b>	Francisco Javier Agurruza Taberna, branch manager of FCS Asset Management Limited, Luxembourg branch, Luxembourg, Grand Duchy of Luxembourg
<b>Directors:</b>	Christophe Fender, Information Systems Auditor, DMS & Associés, Luxembourg, Grand Duchy of Luxembourg  Luc Sünnen, Managing Partner at DMS & Associés, Luxembourg, Grand Duchy of Luxembourg
<b>Management Company:</b>	FCS Asset Management Limited. 102/1, Sandra Flats, Windsor terrace, Sliema SLM 1858, Malta
<b>Custodian:</b>	UBS (Luxembourg) S.A. 33A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
<b>Central Administration:</b>	UBS Fund Services (Luxembourg) S.A. 33A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
<b>Auditor of the Fund:</b>	Ernst & Young S.A. 35E, avenue John F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg
<b>Legal Advisers in Luxembourg:</b>	Elvinger Hoss Prussen 2, Place Winston Churchill L-1340 Luxembourg, Grand Duchy of Luxembourg



# FCS FUND SERVICES SICAV

## 2. LEGAL STATUS

FCS Fund Services SICAV (the "**Fund**") is an open-end investment fund with multiple compartments (*société d'investissement à capital variable (SICAV) à compartiments multiples*) governed by Part I of the law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time (the "**Law**"). The Fund was converted from a Luxembourg partnership limited by shares ("*Société en commandite par actions*") into a Luxembourg public limited company ("*Société anonyme*"), both governed by the law of 10 August 1915 on commercial companies, pursuant to a deed of Maître Hellinckx, notary residing in Luxembourg, dated 16 March 2016 and, at the date of the present Prospectus, in the process of being published in the official gazette, *Mémorial C, Recueil des Sociétés et Associations du Grand-Duché de Luxembourg* (the "**Mémorial**").

The Fund was incorporated for an indefinite period on 6 November 2013, with an initial capital of EUR 31,000. Its articles of incorporation (the "**Articles of Incorporation**") have been published in the *Mémorial* number 2975 on 26 November 2013. The Articles of Incorporation were last amended on 16 March 2016. The Fund is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 181.633. The Fund was originally registered as a Luxembourg specialised investment fund under the law of 13 February 2007 on specialised investment funds (the "**2007 Law**") and converted into a Luxembourg undertaking for collective investments in transferrable securities under the Law as of 16 March 2016.

The Fund's capital shall at all times be equal to the value of its total net assets. The minimum capital required by the Law is EUR 1,250,000 or its equivalent in another currency.

## 3. INVESTMENT OBJECTIVES AND FUND STRUCTURE

The purpose of the Fund is to provide investors with an opportunity for investment in a professionally managed mutual investment fund in order to achieve an optimum return from the capital invested via a range of specialised products ("**Compartments**"), which allow investors to make their own strategic allocation.

The investment policy implemented in the various Compartments shall be laid down by the Board of Directors. A broad spread of risks will be achieved by diversifying investments over a large number of eligible investments. The selection of eligible investments will not be limited - except under the terms of the restrictions specified in the section "Investment Restrictions" below - as regards geographical area or economic consideration, nor as regards the type of investment of such eligible investments.

The Board of Directors is entitled to create new Compartments. Descriptions of these Compartments investment policies and main features are attached to this Prospectus as Appendices.

The Appendices form an integral part of this Prospectus and will be created whenever new Compartments are created.

## FCS FUND SERVICES SICAV

### 4. ORGANISATION OF MANAGEMENT AND ADMINISTRATION

The Board of Directors is responsible for the overall management and control of the Fund.

#### 4.1. Management Company

The Board of Directors has appointed FCS Asset Management Limited as the Management Company of the Fund to be responsible on a day-to-day basis, under the supervision of the Board of Directors, for providing administration, marketing and investment management and advisory services in respect of all Compartments. FCS Asset Management Limited is a Malta limited company with registered office at 102/1, Sandra Flats, Windsor terrace, Sliema SLM 1858, Malta and registered with the Maltese registry of companies under number C54256.

FCS Asset Management Limited has been set up with the main object to (i) provide all types of investment services (as defined by the Investment Services Act (Chapter 370 of the Laws of Malta), as amended from time to time) and other services and activities in respect of financial instruments (as defined in the said Act) and other investment products, to clients including (without limitation) collective investment schemes, and whether directly or through outsourcing from or to the Management Company, and to hold or control clients' money or customers' assets in the course of or in connection with the provision or execution of any of such services or activities, in accordance with and subject to any investment services licence which may be required and which may be issued to the Company in terms of the Investment Services Act (as amended from time to time), but not to operate as a multilateral trading facility or deal for the Company's own account or underwrite or place financial instruments on a firm commitment basis and (ii) do all such other things which are ancillary, supplementary or incidental to, or conducive to the attainment of, the above objects.

The directors of the Management Company are:

- Mr Jaime Agurruza Fatosme
- Ms Eliza Montebello
- Mr Neal Rossignaud

The Management Company shall also ensure compliance of the Fund with the investment restrictions and will implement the Fund's strategies and investment policy. The Management Company, with the consent of the Fund, may appoint i) one or several investment manager(s) to provide investment management services relating to a specific Compartment or ii) any other adviser, as set out in the relevant Compartment Appendix. The fees and expenses payable to such investment manager or adviser in respect of the relevant Compartment will be set out in the relevant Compartment Appendix.

The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request from the Management Company.

The Management Company has adopted various procedures and policies in accordance with Maltese laws and regulations such as but not limited to Shareholder complaints handling procedures, conflicts of interest

## FCS FUND SERVICES SICAV

rules, conduct of business, risk management, etc. in line with Commission Directive 2010/43/EU and any Maltese acts transposing such directive. Insofar as required by applicable laws and regulations, Shareholders may obtain a summary and/or more detailed information on such procedures and policies upon request and free of charge.

### 4.2. Central Administration

UBS Fund Services (Luxembourg) S.A. has been appointed as administrative, registrar, domiciliation and transfer agent of the Fund.

UBS Fund Services (Luxembourg) S.A. is a public limited liability company ("*société anonyme*") incorporated in Luxembourg on March 10, 1997 for an unlimited period of time. UBS Fund Services (Luxembourg) S.A. has its registered office is at 33A, avenue J.F. Kennedy, L-1855 Luxembourg.

UBS Fund Services (Luxembourg) S.A. is responsible for the provision of accounting services (in particular, carrying out the calculation of the NAV of the Fund and the drafting of the financial statements), processing subscriptions for redemptions and conversions (if any) of Shares, calculating issue and redemption proceeds and maintaining the records of the Fund as well as other general administrative services to the Fund, as further detailed in the relevant agreement.

As domiciliation agent, UBS Fund Services (Luxembourg) S.A. will provide the Fund with its domicile.

### 4.3. Custodian

Under the terms of the Custodian Bank and Paying Agent Agreement effective as of 16 March 2016, UBS (Luxembourg) S.A. has been appointed for an indefinite period as Custodian of the Fund's assets.

The Custodian undertakes, on behalf and in the interests of the Fund's Shareholders, to be responsible for the safekeeping of cash and securities making up the Fund's assets. It may, in accordance with the provisions of the Law, entrust other banks or financial institutions with the custody of all or part of these assets. The Custodian may entrust all or part of the assets of the Fund to such agents, delegates or correspondents (together "**Correspondents**") as may be determined by the Custodian from time to time. The Custodian's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a Correspondent except that the Custodian is not liable for any loss directly or indirectly arising as a result of the acts or omissions of its Correspondents, nor as a result of the liquidation, bankruptcy or insolvency of any of its Correspondents provided it shall have been sufficiently careful in the selection of the Correspondents. The Custodian is not responsible for the safekeeping of assets deposited with brokers either as margin for trading activities or temporarily deposited with brokers in order to settle a trade provided it shall have been sufficiently careful in the selection of the said brokers.

The Custodian shall undertake all the habitual functions of a bank with regard to the deposit of cash and securities. It shall assume its functions and responsibilities in accordance with the provisions of the Law.

## FCS FUND SERVICES SICAV

The Custodian shall undertake all acts of disposal of the Fund's assets. It carries out orders and complies with instructions from the Board of Directors and the Management Company provided that these conform with legal provisions and the Fund's Articles of Incorporation.

The Custodian shall, in particular:

- ensure that, in transactions pertaining to the Fund's assets, each contracting party fulfils its obligations within the customary time limits.
- ensure that the sale, issue, redemption and cancellation of Shares by the Fund or on its behalf are conducted in accordance with legal provisions or the Fund's Articles of Incorporation.
- ensure that the Fund's income is allocated in accordance with the Articles of Incorporation.

The Custodian may only be required to redeem Shares where legal provisions, particularly those pertaining to exchange controls, or events outside its control, such as strikes, do not prevent the Custodian from paying or transferring the redemption amount in the country in which the request for redemption has been made.

The Custodian or the Fund may, at any time, by giving at least 3 months' written notice to the other party, terminate the Custodian's appointment, it being understood that until such time as a new custodian is appointed by the Fund, which must happen within two months, the Custodian will only be obligated to undertake all necessary measures to ensure that the Shareholders' best interests are safeguarded.

### 4.4. Investment Managers

The Management Company may appoint different investment managers (each, an "**Investment Manager**") as shall be indicated in the relevant Compartment Appendix. The Investment Manager will, subject to the overall responsibility and control of the Management Company, provide investment advice and take responsibility for the day-to-day discretionary management of the assets of the Fund.

## 5. RIGHTS OF THE SHAREHOLDERS

### 5.1. Shares

The Fund is an umbrella fund and as such may provide investors the choice of investment in a range of several separate Compartments each of which relates to a separate portfolio of eligible assets, as further described in the relevant Compartment Appendix.

Ordinary Shares may be issued in one or more Classes in each Compartment as more fully disclosed in the Compartment Appendices.

The Board of Directors may launch additional Compartments or Classes, the offering terms and conditions of which will be described for each Compartment in the relevant Appendix.

## FCS FUND SERVICES SICAV

The Board of Directors will maintain for each Compartment a separate portfolio of assets. As between Shareholders, each portfolio of assets will be invested for the exclusive benefit of the relevant Compartment.

The Fund constitutes one single legal entity. However, with regard to third parties, in particular towards the Fund's creditors, each Compartment will be exclusively responsible for all liabilities attributable to it.

The assets, commitments, charges and expenses that cannot be allocated to one specific Compartment will be charged to all Compartments pro rata to their respective net assets, if appropriate due to the amounts considered.

The inscription of the Shareholder's name in the register of Shares (the "**Shareholders' Register**") evidences his or her right of ownership of such registered Shares. A confirmation of shareholding will be delivered upon request.

Fractions of registered Shares will be issued to one thousandth of a Share unless otherwise stated in the Appendices hereto.

Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class or Category to which it belongs or its net asset value, is entitled to one vote at all general meetings of Shareholders. Fractions of Shares are not entitled to a vote, but are entitled to participate in the liquidation proceeds. Shares are issued without par value and must be fully paid for subscription.

The Board of Directors may also decide to issue, within each Compartment, different classes of Shares (the "Classes") having e.g. (i) a specific sales and redemption charge structure and/or (ii) a specific investment management or advisory fee structure and/or (iii) different distribution, Shareholders servicing or other fees and/or (iv) different types of targeted investors and/or (v) different currencies and/or such other features as may be determined by the Board of Directors of the Fund from time to time.

Each Compartment is attributed a reference currency in the relevant Appendix.

The currency in which the Classes of Shares are denominated may differ from the reference currency of the relevant Compartment. The Fund, at the expense of the relevant Class of Shares, may use instruments such as forward currency contracts to hedge the exposure of the investments denominated in other currencies than the currency in which the relevant Class of Shares is denominated.

The Classes of Shares may be sub-divided into two Categories: accumulation of income and distribution of income.

Details regarding the Classes or Categories of Shares available per Compartment and their features are disclosed in the Appendices below.

The Board of Directors may decide to create further Classes or Categories of Shares with different characteristics, and in such cases, this Prospectus will be updated accordingly.

## FCS FUND SERVICES SICAV

All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Compartment to which they pertain.

### 5.2. Classes of Shares

The rules relating to the calculation of a net asset value per Compartment apply, *mutatis mutandis*, to the calculation of a net asset value per Class.

The subscription price for Shares in each Class is invested in the assets of the relevant Compartment. In principle, all assets and liabilities related to a specific Class of Shares are allocated to that Class.

### 5.3. Minimum Subscription and Minimum holding

The Board of Directors may impose a minimum subscription and minimum holding requirement for each registered Shareholder in the different Compartments and/or different Classes within each Compartment as set out in the relevant Appendix. The Board of Directors may also impose subsequent minimum subscription requirements. It may decide to waive at its discretion any minimum subscription, minimum holding and subsequent minimum subscription amounts.

The Board of Directors shall not give effect to any transfer of Shares in the Shareholders' Register as a consequence of which an investor will not meet the minimum holding requirement referred to in the relevant Appendix.

If, as a result of a redemption request, the value of any holding decreases below the minimum set out in the relevant Appendix, then such request may be treated as a request for redemption of the entire holding.

### 5.4. General Meetings of Shareholders

The annual general meeting of Shareholders (the "**Annual General Meeting**") shall be held each year at the Fund's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.

The Annual General Meeting shall be held on the third Wednesday of April each year or, if this happens to be an official holiday in Luxembourg, on the next working day thereafter. If permitted by and under the conditions set forth in Luxembourg laws and regulations, the Annual General Meeting may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board of Directors.

Shareholders will be convened in accordance with Luxembourg law. The convening notices shall include details of the time and place of the Meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law.

## FCS FUND SERVICES SICAV

The notice of any general meeting of Shareholders may also provide that the quorum and the majority of such general meeting shall be determined by reference to the Shares issued and outstanding at midnight on the fifth day preceding the day on which such meeting of Shareholders will be held (the "**Record Date**"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to his/its/her Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

In accordance with the Fund's Articles of Incorporation and Luxembourg law, all decisions taken by the Shareholders pertaining to the Fund shall be taken at the general meeting of all Shareholders. Any decisions affecting Shareholders in one or several Compartments may be taken by just those Shareholders in the relevant Compartments to the extent that this is allowed by law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles of Incorporation shall apply.

### 6. SUBSCRIPTIONS

Applications for Shares may be made on any business day, being any day on which the banks are open for business in Luxembourg. Applications received by the Central Administration must comply with the specifications described for each Compartment in the relevant Appendix below including the conditions of an initial subscription period, cut-off time and payments.

In line with the specifications in the relevant Appendices below, subscription fees may be charged on the subscription of Shares.

Applications for subscription may also be made through placing agents, in such a case investors should note that other subscription procedures or time limits may apply.

Instructions for the subscription of Shares may be made by fax, or by post. Applications for subscription should contain the following information (if applicable): the identity, address of the Shareholder requesting the subscription, the relevant Compartment, ISIN code, the relevant Class or Category, the number of Shares or currency amount to be subscribed. All necessary documents to fulfil the redemption should be enclosed with such application.

Any new subscriber must apply for a minimum amount as more fully described for each Compartment in the relevant Appendix below. Such minimum may be reached, at the discretion of the Board of Directors, by combining investments in various Compartments. However, the Board of Directors may authorize a new subscriber to apply for shares amounting to a sum that is less than the minimum initial investment or the equivalent in the reference currency of the relevant Compartment from time to time.

Confirmation statements will be mailed or emailed to subscribers or their banks by the Fund not later than five (5) business days from the date of payment of the subscription price.

Payment shall be made in the reference currency of the Compartment or, if applicable, in the denomination currency of the relevant Class or Category as disclosed in the Appendices below in the form of electronic bank transfer net of all bank charges (except where local banking practices do not allow electronic bank

## FCS FUND SERVICES SICAV

transfers) to the order of the Custodian on the date as determined in the Compartment's specifications under the relevant Appendices of this Offering Document.

In the case of suspension of dealings in Shares, the subscription will be dealt with on the first Valuation Day following the end of such suspension period.

The Board of Directors may agree to issue Shares as consideration for a contribution in kind of securities to any subscriber who agrees to it, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from an auditor ("*réviseur d'entreprises agréé*") which shall be available for inspection, and provided that such securities comply with the investment objectives and policies of the relevant Compartment. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant subscriber.

The Board of Directors may, at any time at its discretion, temporarily discontinue, cease definitely or limit the issue of Shares to persons or corporate bodies residing or established in certain countries or territories. The Board of Directors may also prohibit certain persons or corporate bodies from acquiring Shares if such a measure is necessary for the protection of the Fund or any Compartment or any Shareholder.

Furthermore, the Board of Directors may (i) reject in whole or in part at its discretion any application for Shares or (ii) repurchase at any time the Shares held by Shareholders who are excluded from purchasing or holding Shares, in which case subscription monies paid, or the balance thereof, as appropriate, will normally be returned to the applicant within five (5) business days thereafter, provided such subscription monies have been cleared.

### **6.1. Prevention of Money Laundering and Terrorist Financing**

In accordance with international rules and Luxembourg laws and regulations (including, but not limited to, the amended law of 12 November 2004 on the fight against money laundering and financing of terrorism), the Grand Ducal Regulation dated 1 February 2010, the CSSF Regulation 12-02 of 14 December 2012, and the CSSF Circular 13/556 and 15/609 concerning the fight against money laundering and terrorist financing and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Central Administration may require subscribers to provide any document it deems necessary to effect such identification. In addition, the Central Administration, as delegate of the Fund, may require any other information that the Fund may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law.

In case of delay or failure by an applicant to provide the required documentation, the subscription requests will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the Fund, the Management Company nor the Central Administration will be held responsible for said delays or failure to process deals resulting from the failure of the applicant to provide documentation or complete documentation.



## FCS FUND SERVICES SICAV

From time to time, shareholders may be requested to provide additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

**The absence of documents required for identification purposes may lead to the suspension of a request for subscription and/or redemption.**

### 7. ISSUE PRICE

The issue price for Shares in each Compartment is equal to the net asset value of each Share in that Compartment, calculated as of the relevant Valuation Day.

This issue price may be increased to cover any duties, taxes and stamp duties which may have to be paid by a Shareholder.

### 8. REDEMPTIONS

Shareholders may request redemption of their Shares on any business day.

Application for redemption must be made in writing to the Central Administration. Investors whose applications for redemption are received by the Central Administration as more fully described for each Compartment in the relevant Appendix below will have their Shares redeemed at a price corresponding to the net asset value per Share as of the relevant Valuation Day.

Unless otherwise specified in the relevant Appendix below, no redemption fees shall be charged on the redemption of Shares.

Application for redemption may also be made through the placing agents, in such a case investors should note that other redemption procedures and time limits may apply.

The Board of Directors shall ensure that an appropriate level of liquidity is maintained in each Compartment so that, under normal circumstances, repurchase of Shares of a Compartment may be made by the Valuation Day.

Unless otherwise expressed in the appendices below, if on any Valuation Day redemption requests relate to more than 10% of the Shares in issue in a specific Class or Category or Compartment, the Fund may decide that part or all of such requests for repurchase will be deferred for such period as the Fund considers to be in the best interests of the Compartment, but normally not exceeding one Valuation Day. On the next Valuation Day following such period, these repurchase requests will be met in priority to later requests.

The repurchase price may, depending on the net asset value per Share applicable on the date of repurchase, be higher or lower than the price paid at the time of subscription.

## FCS FUND SERVICES SICAV

Instructions for the redemption of Shares may be made by fax, or by post. Applications for redemption should contain the following information (if applicable): the identity and address and register number of the Shareholder requesting the redemption, the relevant Compartment, the relevant Class or Category, the number of Shares or currency amount to be redeemed, the name in which such Shares are registered and full payment details, including name of recipient, bank and account number. All necessary documents to fulfil the redemption should be enclosed with such application.

Redemption requests must be accompanied by a document evidencing authority to act on behalf of such Shareholder or power of attorney which is acceptable in form and substance to the Fund. Redemption requests made in accordance with the foregoing procedure shall be irrevocable, except that a Shareholder may revoke such request in the event that it cannot be honoured for any of the reasons specified in this Prospectus.

Upon instruction received from the Board of Directors, payment of the redemption price will be made by the Custodian or its agents on the dates as stated in each Compartment's Appendix. Payment for such Shares will be made in the reference currency of the relevant Compartment or, if applicable, in the denomination currency of the relevant Class or Category as disclosed in the Appendices below or in any freely convertible currency specified by the Shareholder. In the last case, any conversion cost shall be borne by the relevant Shareholder.

The Board of Directors may, at the request of a Shareholder, agree to make, in whole or in part, a payment in-kind of securities of the Compartment to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The total or partial in-kind payment of the redemption proceeds may only be made (i) with the consent of the relevant Shareholder which consent may be indicated in the Shareholder's application form or otherwise and (ii) by taking into account the fair and equal treatment of the interests of all Shareholders. In addition, in-kind payments of the redemption proceeds will only be made provided that the Shareholders who receive the in-kind payments are legally entitled to receive and dispose of the redemption proceeds for the redeemed Shares of the relevant Compartment. In the event of an in-kind payment, the costs of any transfers of securities to the redeeming Shareholder shall be borne by that Shareholder. To the extent that the Fund makes in-kind payments in whole or in part, the Board of Directors will undertake its reasonable efforts, consistent with both applicable law and the terms of the in-kind securities being distributed, to distribute such in-kind securities to each redeeming Shareholder pro rata on the basis of the redeeming Shareholder's Shares of the relevant Compartment. The value of the redemption in kind will be certified by a certificate drawn up by the auditors of the Fund.

For any request for redemption received by the Central Administration after 5 p.m. CET on the business day prior to a Valuation Day, the net asset value applicable will be the net asset value as calculated on the following Valuation Day.

The repurchase price may also be reduced to cover any duties, taxes and stamp duties which might have to be paid.

The redemption price could be higher or lower than the subscription price paid, depending on the variation of the net asset value during that interval.

## FCS FUND SERVICES SICAV

### 9. COMPULSORY REDEMPTION OF SHARES

Shares may be redeemed, provided that Shareholders are treated equally.

In the event that for any reason whatsoever, the value of assets of a Class, Category or Compartment should fall down to such an amount considered by the Board of Directors as the minimum level under which the Class, Category or Compartment may no longer operate in an economic efficient way, or in the event that a significant change in the economic or political situation impacting such Class, Category or Compartment should have negative consequences on the investments of such Class, Category or Compartment or when the range of products offered to clients is rationalized, the Board of Directors may decide to conduct a compulsory redemption operation on all shares of a Class, Category or Compartment, at the net asset value per share applicable on the Valuation Day, the date on which the decision shall come into effect (including effective prices and expenses incurred for the realisation of investments). The Fund shall send a notice to the shareholders of the relevant Class, Category or Compartment, before the effective date of compulsory redemption. Such notice shall indicate the reasons for such redemption as well as the procedures to be enforced. Unless otherwise stated by the Board of Directors, shareholders of such Class, Category or Compartment, may not continue to apply for the redemption or the conversion of their shares while waiting for the enforcement of the decision to liquidate. If the Board of Directors authorizes the redemption or conversion of shares, such redemption and conversion operations shall be carried out according to the clauses provided by the Board of Directors in the sales documents of shares, free of charge (but including actual prices and expenses incurred for the realisation of the investments, closing expenses and non paid-off setting-up expenses) until the effective date of the compulsory redemption.

If the Board of Directors become aware that a Shareholder of record is holding Shares for the account of a person who does not meet the Shareholder eligibility requirements specified in this Prospectus, or is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund including a requirement to register under the laws and regulations of any country or authority or a majority of its Shareholders, or otherwise be detrimental to the interests of the Fund, the Directors may compulsorily redeem such Shares in accordance with the provisions of the Articles of Incorporation. Shareholders are required to notify the Fund and the Management Company immediately if they cease to meet the Shareholder eligibility requirements specified in "Subscriptions" above or in the relevant Appendix, or hold Shares for the account or benefit of any person who does not or has ceased to meet such requirements, or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may either have adverse regulatory, tax or fiscal consequences for the Fund or be detrimental to the interests of the Fund.

If the Board of Directors become aware that a Shareholder has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors may compulsorily redeem the relevant Shares in accordance with the provisions of the Articles of Incorporation.

### 10. CONVERSION

Unless otherwise specified in the Appendices, Shareholders are entitled to convert all or part of their Shares of a particular Class or Category into Shares of other Class(es) or Category(ies) of Shares (as far as available) within the same Compartment or Shares of the same or different Classes or Categories of Shares (as far as available) of another Compartment.

Shareholders who wish to convert all or part of their Shares must submit an application by fax, or by post to the Central Administration, specifying the Compartment, the Class or Category or Compartments and Classes or Categories concerned and the number of Shares they wish to convert.

Instructions for the conversion / switching of shares may be made by fax, or by post. Applications for conversion / switches should contain the following information (if applicable): the identity, address of the Shareholder requesting the conversion, the relevant Compartment, ISIN code of the conversion-in Fund as well as the ISIN of the conversion-out Fund, the relevant Class or Category, the number of Shares or currency amount to be switched / converted. All necessary documents to fulfil the switch should be enclosed with such application

A conversion of Shares of a particular Class or Category of one Compartment for Shares of another Class or Category in the same Compartment and/or for Shares of the same or different Class or Category in another Compartment will be treated as a redemption of Shares and a simultaneous purchase of Shares of the acquired Class or Category and/or Compartment. A converting Shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the Shareholder's citizenship, residence or domicile.

Shares may be tendered for conversion on any business day.

All terms and conditions regarding the redemption of Shares shall equally apply to the conversion of Shares.

Investors whose applications for conversion are received by the Central Administration as more fully described for each Compartment in the relevant Appendix below will have their Shares converted on the basis of the respective net asset value of the relevant Shares as of the applicable Valuation Day.

The price at which Shares shall be converted will be determined by reference to the respective net asset value of the relevant Shares of the relevant Class or Category of Shares or Compartment calculated on the relevant Valuation Day, taking into account the actual rate of exchange on the day concerned.

If the Valuation Day of the Class or Category of Shares or Compartment taken into account for the conversion does not coincide with the Valuation Day of the Class or Category of Shares or Compartment into which they shall be converted, the Shareholders' attention is drawn to the fact that the amount converted will not generate interest during the time separating the two Valuation Days.

Unless otherwise specified in the Appendices below, no conversion fee will be charged on the conversion of Shares.

## FCS FUND SERVICES SICAV

For any conversion requests received by the Central Administration after 5 p.m. CET on the business day prior to a Valuation Day, the net asset value applicable will be the net asset value as calculated on the following Valuation Day.

The rate at which all or part of the Shares in a given Compartment (the "**Original Compartment**") are converted into Shares in another Compartment (the "**New Compartment**"), or all or part of the Shares of a particular Class or Category of Shares (the "**Original Class**") are converted into another Class or Category of Shares within the same Compartment (the "**New Class**") is determined in accordance with the following formula:

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

where:

- A is the number of Shares to be allocated in the New Compartment or New Class;
- B is the number of Shares of the Original Compartment or Original Class which is to be converted;
- C is the Net Asset Value per Share of the Original Class or the relevant Class or Category of Shares within the Original Compartment at the relevant Valuation Day;
- D is the Net Asset Value per Share of the New Class or the relevant Class or Category of Shares within the New Compartment at the relevant Valuation Day; and
- E is the actual rate of exchange on the day concerned applied to conversions between Compartments or Classes or Categories of Shares denominated in different currencies, and is equal to 1 in relation to conversions between compartments or Classes or Categories of Shares denominated in the same currency.

After conversion of the Shares, the Custodian will inform each Shareholder of the number of Shares of the New Compartment or New Class obtained by conversion and the price thereof.

### 11. MARKET TIMING & LATE TRADING

The Fund determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the net asset value per Share at which Shares will be bought or sold (exclusive of any sales charges). Subscription, conversion, and redemption applications have to be received and will be accepted for each Compartment only in accordance with the deadlines set out in the Appendices.

The Fund is not designed for investors with short term investment horizons. Activities which may adversely affect the interests of the Shareholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Fund as an excessive or short term trading vehicle are not permitted.

While recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Board of Directors in its discretion may, if it deems such activities adversely affect the interests of the Shareholders, take action as appropriate to deter such activities.

## FCS FUND SERVICES SICAV

Accordingly if the Board of Directors determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Fund and its Shareholders.

### 12. CALCULATION OF THE NET ASSET VALUE

The net asset value will be expressed in the reference currency of each class within the relevant Compartment and will be determined as of any valuation day.

The frequency of the net asset value calculation is detailed for each Compartment in the Appendices hereof.

The net asset value per Share of each Class or Category of Shares is determined by dividing the value of the total assets of that Compartment properly allocable to such Class or Category less the liabilities of such Compartment properly allocable to such Class or Category by the total number of Shares of such Class or Category outstanding on the relevant Valuation Day.

The assets of the Fund, in relation to each Compartment, shall be deemed to include:

- (i) all cash on hand or on deposit, including any interest accrued thereon;
- (ii) all bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) all bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, money market instruments, financial instruments and similar assets owned by the Fund or contracted by the Management Company on behalf of the Fund (provided that the Management Company may make some adjustments in a manner not inconsistent with paragraph (a) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- (iv) all stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (v) all interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) the preliminary expenses of the Fund, including the cost of issuing and distributing Shares of the Fund, insofar as the same have not been written off;
- (vii) the liquidating value of all forward contracts and all call or put options the Fund has an open position in; and
- (viii) all other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value

## FCS FUND SERVICES SICAV

thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;

(b) the value of securities and money market instruments listed or dealt in on a Regulated Market, stock exchange or other regulated markets will be valued at the last available price on such markets. If a security or a money market instrument is listed or traded on several markets, the closing price at the market which constitutes the main market for such securities and money market instruments, will be determining;

(c) in the event that the securities and money market instruments are not listed or dealt in on a Regulated Market, stock exchange or other regulated markets or if, in the opinion of the Fund, the latest available price does not truly reflect the fair market value of the relevant securities and money market instruments, the value of such securities and money market instruments will be defined by the Fund based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the Fund who may use commonly used valuation guidelines as a basis or any other method if it believes that such method better reflect the value of the relevant asset;

(d) units and shares of underlying funds are based on the last available value provided by the Central Administration, the manager or any other reliable party involved with the underlying Funds. For the purpose of calculating the net asset value of the Compartment, the Fund may allow the use of an estimate of value of the relevant underlying target funds;

(e) the liquidating value of futures, forward or options contracts not dealt in on Regulated Markets, stock exchange or other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Fund, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts dealt in on Regulated Markets, stock exchange or other regulated markets shall be based upon the last available settlement prices of these contracts on Regulated Markets, stock exchange or other regulated markets on which the particular futures, forward or options contracts are dealt in by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Fund may deem fair and reasonable;

(f) the net asset value per Share of any Compartment may be determined by using an amortised cost method for all investments with a known short term maturity date. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price such Compartment would receive if it sold the investment. The Fund will continually assess this method of valuation and recommend changes, where necessary, to ensure that the relevant Compartment's investments will be valued at their fair value as determined in good faith by the Fund. If the Fund believe that a deviation from the amortised cost per Share may result in material dilution or other unfair results to Shareholders, the Fund shall take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;

## FCS FUND SERVICES SICAV

(g) the relevant Compartment shall, in principle, keep in its portfolio the investments determined by the amortisation cost method until their respective maturity date unless another method is employed upon decision of the Board of Directors in the best interest of the investors;

(h) interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Fund;

(i) all other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Fund; and

(j) the Fund, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Board of Directors may authorize the Management Company to, prudently and in good faith, follow other rules in order to achieve a fair valuation of the assets of the Fund.

If since the time of determination of the net asset value per Share of any Class or Category in a particular Compartment there has been a material change in the quotations in the markets on which a substantial portion of the investments of such Compartment are dealt in or quoted, the Board of Directors may, in order to safeguard the interests of the Shareholders and the Fund, cancel the first valuation of the net asset value per Share and carry out a second valuation. All the subscription, redemption and exchange orders received on such day will be dealt at the second net asset value per Share.

The liabilities of the Fund shall be deemed to include:

- (i) all loans, bills and accounts payable;
- (ii) all accrued or payable administrative expenses;
- (iii) all known liabilities, present and future, including all matured contractual obligations for payment of money;
- (iv) an appropriate provision for future taxes based on capital and income to the relevant Valuation Day, as determined from time to time by the Board of Directors, and other reserves, if any, authorized and approved by the Board of Directors; and
- (v) all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Shares of the Fund. In determining the amount of such liabilities, the Management Company shall take into account all expenses payable and all costs incurred by the Fund, which shall comprise inter alia the fees and expenses detailed in Section "Fund Expenses" hereafter.

The net asset value per Share for each Compartment is determined by UBS Fund Services (Luxembourg) S.A. acting as Central Administration and made available at the registered office of the Fund.



## FCS FUND SERVICES SICAV

The Board of Directors, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Company. The valuation method may be defined in the relevant Compartment Appendix.

Each Compartment shall be valued so that all agreements to purchase or sell securities are reflected as of the date of execution, and all dividends receivable and distributions receivable are accrued as of the relevant ex-dividend dates.

In cases when applications for subscription or redemption are sizeable, the Board of Directors may assess the value of the Share on the basis of rates during the trading session on the stock exchanges or markets during which it was able to buy or sell the necessary securities for the Fund. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

### **13. SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES**

In each Compartment, the Board of Directors may temporarily suspend the determination of the net asset value of Shares and in consequence the issue, repurchase and conversion of Shares in any of the following events:

1. when one or more Regulated Markets, stock exchanges or other regulated markets, which provide the basis for valuing a substantial portion of the assets of the Fund attributable to such Compartment, or when one or more Regulated Markets, stock exchanges or other regulated markets in the currency in which a substantial portion of the assets of the Fund attributable to such Compartment is denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
2. when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Fund, disposal of the assets of the Fund attributable to such Compartment is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders; In the case of a breakdown in the normal means of communication used for the valuation of any investment of the Fund attributable to such Compartment, or if, for any exceptional circumstances, the value of any asset of the Fund attributable to such Compartment may not be determined as rapidly and accurately as required;
3. if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchases and sales of the Fund's assets attributable to such Compartment cannot be effected at normal rates of exchange;
4. when for any other reason the prices of any investments owned by the Fund attributable to any Compartment cannot promptly or accurately be ascertained;

## FCS FUND SERVICES SICAV

5. if during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of the Shares of such Compartment or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares; or
6. in the event of the publication (i) of the convening notice to a general meeting of Shareholders at which a resolution to wind-up the Fund, a Compartment or a Class of Shares is to be proposed, or of the decision of the Board of Directors to wind-up one or more Compartments or Classes of Shares, or (ii) to the extent that such a suspension is justified for the protection of the Shareholders, of the notice of the general meeting of Shareholders at which the merger of the Fund, a Compartment or a Class of Shares is to be proposed, or of the decision of the Board of Directors to merge the Fund, one or more Compartments or Classes of Shares.

Any such suspension will be published in the manner described in this Prospectus and notified to those Shareholders having made an application for subscription, redemption or conversion of Shares for which the calculation of the net asset value has been suspended.

Such suspension as to any Compartment shall have no effect on the calculation of the net asset value per Share, the issue, redemption and conversion of Shares of any other Compartment.

Any request for subscription, redemption and conversion shall be irrevocable except in the event of a suspension of the calculation of the net asset value per Share in the relevant Compartment.

The Fund may, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Compartments to persons or corporate bodies resident or domiciled in some countries or territories. The Fund may also prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Fund.

In addition, the Fund is entitled to:

- a) reject, at its discretion, any application to subscribe to Shares; and
- b) repurchase, at any time, Shares which have been acquired in violation of a measure of exclusion taken by virtue of the Fund.

### **14. INCOME DISTRIBUTION**

The principal investment objective of each Compartment is to achieve capital appreciation and the generation of income will not be an overriding consideration in determining investment policy. Unless a Share Class is identified as a 'Distributing Class' or a distribution policy is otherwise specified in the relevant Compartment Appendix, all Share Classes of all Compartments have an accumulation policy and, consequently, no distributions will be paid.

## FCS FUND SERVICES SICAV

### 15. FUND EXPENSES

The Fund shall pay out of the assets of the relevant Compartment all expenses payable by the Compartment which shall include but not be limited to:

1. fees payable to and reasonable disbursements and out-of-pocket expenses incurred by the Fund, the Custodian and the Central Administration, as applicable;
2. all taxes which may be due on the assets and the income of the Compartment (in particular, the "*taxe d'abonnement*" and any stamp duties payable);
3. usual banking fees due on transactions involving securities held in the Compartment;
4. legal expenses incurred by the Central Administration, and the Custodian while acting in the interests of the Shareholders;
5. the cost of any liability insurance or fidelity bonds covering any costs, expenses or losses arising out of any liability of, or claim for damage or other relief asserted against the Fund and/or the Custodian, the Central Administration, or other agents of the Fund for violation of any law or failure to comply with their respective obligations under the Articles of Association or otherwise with respect to the Fund; and
6. the costs and expenses of the preparation and printing of written confirmations of Shares; the costs and expenses of preparing and/or filing and printing of all other documents concerning the Fund, including registration statements and Prospectus, key investor information documents and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Shares of the Fund; the costs and expenses of preparing, in such languages as are necessary for the benefit of the Shareholders, including the beneficial holders of the Shares, and distributing annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the net asset value; the cost of preparing and distributing public notices to the Shareholders; lawyers' and auditor's fees; and all similar administrative charges, including all advertising expenses and other expenses directly incurred in offering or distributing the Shares.

All recurring charges will be charged first against income, then against capital gains and then against assets. Other charges may be amortised over a period not exceeding five (5) years.

#### 15.1. Formation and launching expenses of the Fund

The costs and expenses of the formation of the Fund and the initial issue of its Shares will be borne by the Fund and amortised over a period not exceeding 5 years from the formation of the Fund and in such amounts in each year as determined by the Fund on an equitable basis.

## FCS FUND SERVICES SICAV

### **15.2. Formation and launching expenses of additional Compartments**

The costs and expenses incurred in connection with the creation of a new Compartment shall be written off over a period not exceeding five (5) years against the assets of such Compartment only and in such amounts each year as determined by the Fund on an equitable basis. The newly created Compartment shall not bear a pro-rata of the costs and expenses incurred in connection with the formation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the new Compartment.

### **15.3. Fees of the Management Company**

Unless otherwise provided in the appendices below, the Management Company is entitled to a management fee payable at the end of each month. Such fee is described in detail for each Compartment in the relevant section in the Appendices below.

Any reasonable disbursements and out-of-pocket expenses (including without limitation legal fees, external service providers fees, telephone, telex, cable and postage expenses) incurred by the Management Company will be borne by the relevant Compartment.

### **15.4. Fees for the Central Administration**

The Central Administration, in consideration for the services rendered is entitled to an administration fee out of the Assets of the relevant Compartment not exceeding 0.06% of the Net Asset Value and payable at the end of each month in accordance with the terms of the Central Administration Agreement, with a minimum of EUR 30,000 p.a. per Compartment.

### **15.5. Fees of the Custodian**

The Fund is entitled to pay out of the assets of the relevant Compartment all fees and expenses payable to its Custodian not exceeding 0.05% of the Net Asset Value in accordance with the terms of the Depositary and Paying Agreement, with a minimum of EUR 20,000 p.a. per Compartment.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, e-mail, website, cable and postage expenses) incurred by the Custodian, and any custody charges of banks and financial institutions to which custody of assets of a Compartment is entrusted, will be borne by the relevant Compartment.

### **15.6. Performance fee**

The Management Company and/or the Investment Managers, if any, may be entitled to a performance fee in relation to certain Compartments, as indicated in the Appendices to the Prospectus.

## FCS FUND SERVICES SICAV

### **15.7. Other Operating Expenses**

The costs and expenses in relation to the tasks and activities required to operate the Fund including without limitation, the fees of independent valuers, appraisers and cost associated to the use of special purpose vehicles.

### **15.8. Directors Remuneration**

Each of the Directors of the Board of Directors will be entitled to remuneration for his services at the rate determined by the general meeting of Shareholders from time to time. In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses for attending and returning from board meetings or general meetings of Shareholders as well as for visiting services providers and delegates of the Fund.

All recurring expenditure is paid when incurred or invoiced from the net assets of the relevant Compartment(s). Other expenditure may be amortised over a period not exceeding five years.

Charges involved in the calculation of the net asset values of the various Compartments shall be spread between the Compartments in proportion to their net assets, except in cases where charges specifically relate to one Compartment, in which case they will be charged to that Compartment.

## **16. TAX STATUS**

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of Shares and is not intended as tax advice to any particular investor or potential Investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### **16.1. Taxation of the Fund**

The Fund is not subject to taxation in Luxembourg on its income, profits or gains.

The Fund is not subject to net wealth tax in Luxembourg.

A EUR 75.- registration tax was paid upon incorporation and is to be paid each time the Articles of Incorporation are amended. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Fund.

## FCS FUND SERVICES SICAV

The Fund is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on its net asset value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax rate of 0.01% *per annum* is applicable to Luxembourg UCIs whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% *per annum* is applicable to UCITS individual compartments of UCITS with multiple compartments, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, (iv) UCITS and UCIs subject to the part II of the Law qualifying as exchange traded funds and (v) UCIS and individual compartments thereof whose main objective is the investment in microfinance institutions.

### 16.2. Withholding tax

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Fund are not subject to withholding tax in Luxembourg.

### 16.3. Taxation of the Shareholders

#### Luxembourg resident individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individuals Shareholders who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the company.

Distributions made by the Fund will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 43.6%. An additional temporary income tax of 0,5% (*impôt d'équilibrage budgétaire temporaire*) will be due by Luxembourg individuals subject to Luxembourg State social security scheme in relation to their professional and capital income.

## FCS FUND SERVICES SICAV

### Luxembourg resident corporate

Luxembourg resident corporate Shareholders will be subject to corporate taxation at the rate of 29.22% (in 2016 for entities having the registered office in Luxembourg-City) on capital gains realised upon disposal of the Shares and on the distributions received from the Fund.

Luxembourg corporate resident investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment subject to the Law, (ii) specialised investment funds subject to 2007 Law, or (ii) family wealth management companies subject to the law of 11 May 2007 on family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Shareholders except if the holder of the Shares is (i) a UCI subject to the Law, (ii) a vehicle governed by the law of 22 March 2004 on securitisation, (iii) a company governed by the law of 15 June 2004 relating to the investment company in risk capital, (iv) a specialised investment fund subject to the 2007 Law or (v) a family wealth management company subject to the law of 11 May 2007 on family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

### 16.4. Non Luxembourg residents

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on the distribution received from the fund and the Shares will not be subject to net wealth tax. An additional temporary income tax of 0.5% (*impôt d'équilibrage budgétaire temporaire*) will be due by individuals subject to the Luxembourg State social security scheme in relation to their professional and capital income.

### 16.5. Automatic Exchange of Information

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (the "**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg

## FCS FUND SERVICES SICAV

tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Fund reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

### **16.6. US Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "**FFIs**") to pass information about "**Financial Accounts**" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA, as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends



## FCS FUND SERVICES SICAV

to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Management Company, in its capacity as the Fund's Management Company, may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- b) report information concerning a Shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA and the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

### **17. BUSINESS YEAR**

The business year of the Fund runs from 1 January until 31 December.

### **18. PERIODICAL REPORTS AND PUBLICATIONS**

The Fund will publish an audited Annual Report within 4 months after the end of the business year and an unaudited Semi-annual Report within 2 months after the end of the period to which it refers.

The Annual Report includes accounts of the Fund and of each Compartment.

All these reports will be made available to the Shareholders at the registered office of the Fund, the Management Company and any distributor or intermediary appointed by the Fund.

## FCS FUND SERVICES SICAV

The net asset value per Share of each Compartment as well as the issue and redemption prices will be made public at the offices of the Central Administration.

Any amendments to the Articles of Incorporation will be published in the Mémorial of the Grand-Duchy of Luxembourg.

### **19. LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND COMPARTMENTS**

The Fund has been established for an unlimited period. However, the Fund may be liquidated at any time by a resolution adopted by an extraordinary meeting of Shareholders, at which meeting one or several liquidators will be named and their powers defined. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Compartment shall be distributed by the liquidators to the Shareholders of the relevant Compartment in proportion to the value of their holding of Shares.

If and when the net assets of a Compartment or a Class of Shares are less than an amount that the Board of Directors considers to no longer allow the Compartment or Class of Shares to be managed in an economically efficient manner or its equivalent, or if any economic or political situation would constitute a compelling reason therefore, or if required in the interest of the Shareholders of the relevant Compartment, the Board of Directors may decide to liquidate all the Shares of that Compartment or Class of Shares. In any such event Shareholders will be notified and such publication will indicate the reasons for and the procedure of the liquidation. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders of the Compartment or Class of Shares concerned may continue to request redemption or conversion of their Shares until the effective date of the liquidation.

In accordance with the provisions on mergers of the Law and applicable regulations, the Board of Directors may decide to merge one or more Compartments with another Compartment, or with another undertaking for collective investment (or a compartment thereof) qualifying as a UCITS (whether subject to Luxembourg law or not).

If the Board of Directors determines that the decision of merging a Compartment should be put for Shareholders' approval, the decision to merge a Compartment may be taken at a meeting of Shareholders of the Compartment to be merged. At such Compartment meeting, no quorum shall be required and the decision to merge must be approved by a simple majority of the votes cast. In case of a merger of a Compartment where, as a result, the Fund ceases to exist, the merger shall be decided by a meeting of Shareholders for which no quorum is required and that may decide with a simple majority of the votes cast. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (relating in particular to the notification to the Shareholders concerned) shall apply.

Under the same circumstances as described in the second paragraph above, the Board of Directors may also, subject to regulatory approval if required, decide (i) upon the reorganisation of any Compartment by means of a division into two or more separate Compartments or (ii) to reorganise the Shares of a Compartment into two or more Classes of Shares or combine two or more Classes of Shares into a single Class of Shares providing in each case it is in the interests of Shareholders of the relevant Compartment. Publication or

## FCS FUND SERVICES SICAV

notification of these decisions will be made at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or conversion of their Shares before the reorganisation becomes effective. The publication or notification of reorganisation of any Compartment or Class of Shares by means of a division into two or more separate Compartments or Classes of Shares will, in addition, contain information in relation to the two or more separate Compartments or Classes of Shares resulting from the reorganisation. The Board of Directors may also decide, subject to regulatory approval if required, to submit the question of the consolidation or split of Classes of Shares to a meeting of holders or such Classes of Shares. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

Any liquidation proceeds that could not be paid to Shareholders will be deposited in escrow at the *Caisse de Consignation* in Luxembourg. Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

### **20. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are deposited and kept available for inspection at the offices of the Central Administration, the Management Company and the Fund's registered office:

1. The Fund's Articles of Incorporation.
2. The Custodian and Paying Agent Agreement effective as of 16 March 2016 between UBS (Luxembourg) S.A. and the Fund.
3. The Management Company Services Agreement effective as of 16 March 2016 between the Management Company and the Fund.
4. The Administration, Registration, Domiciliation and Transfer Agent Agreement effective as of 16 March 2016 between UBS Fund Services (Luxembourg) S.A. and the Fund.

Any of the above agreements may be amended by mutual consent of the parties, consent on behalf of the Fund being given by the Directors, subject to regulatory approval, if required.

### **21. INVESTMENT RESTRICTIONS**

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

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

## FCS FUND SERVICES SICAV

### 21.1. Investment in eligible assets

(A) (1) The Fund will exclusively invest in:

- a) transferable securities and money market instruments admitted to an official listing on a stock exchange in an Eligible State<sup>1</sup>; and/or
- b) transferable securities and money market instruments dealt in on another Regulated Market<sup>2</sup>; and/or
- c) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market<sup>3</sup> and such admission is achieved within one year of the issue; and/or
- d) units of UCITS<sup>4</sup> and/or other UCIs, whether situated in a Member State (as defined in the Law) or not, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured,
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of directive 2009/65/EC,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or
- e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is

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<sup>1</sup> "Eligible State" includes any Member State and any other state which the Board of Directors deems appropriate with regard to the investment objectives of each Compartment. Eligible states include in this category countries in Africa, America, Asia, Oceania and Europe.

<sup>2</sup> "Regulated Market" a market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.

<sup>3</sup> "Eligible Market" an official stock exchange or another Regulated Market.

<sup>4</sup> "UCITS" an undertaking for collective investment in transferable securities authorised according to the Directive 2009/65/EC of the European Parliament and the Council.

## FCS FUND SERVICES SICAV

situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; and/or

- f) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs (a), (b) and (c) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section (A) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Compartments may invest according to their investment objective,
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority,
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative; and/or
- g) money market instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, an Eligible State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in EU law, or
  - issued by other bodies belonging to categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer (i) is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the Directive 2013/34/EU on the annual financial statements and related reports of certain types of undertakings, as amended, (ii) is an entity which, within a group of companies which includes one or several listed companies, (iii) is dedicated to the financing of the group or (iv) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

## FCS FUND SERVICES SICAV

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

(B) Each Compartment may hold ancillary liquid assets.

(C) (i) Each Compartment may invest no more than 10% of its net asset value in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivative instruments, both the issuer of the structured financial instruments and the issuer of the underlying securities).

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

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

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

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

- investments in transferable securities or money market instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with

a single body in excess of 20% of its net assets.

(iii) The limit of 10% laid down in paragraph (C)(i) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities or by an Eligible State or by public international bodies of which one or more Member States are members, and such securities and money market instruments shall not be included in the calculation of the limit of 40% under (C)(ii) above.

(iv) The limit of 10% laid down in paragraph (C)(i) above shall be 25% in respect of debt securities which are issued by highly rated credit institutions having their registered office in a Member State and which are subject by law to a special public supervision for the purpose of protecting the

## FCS FUND SERVICES SICAV

holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

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

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

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

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

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

- (vi) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of a Compartment's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Luxembourg supervisory authority, provided
- the composition of the index is sufficiently diversified,
  - the index represents an adequate benchmark for the market to which it refers,
  - it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

- (vii) Where any Compartment has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or by an Eligible State, by a state accepted by the Luxembourg**

## FCS FUND SERVICES SICAV

**supervisory authority (being at the date of this Prospectus the Organisation for Economic Co-Operation and Development member states, Brazil, Russia, Indonesia, Singapore and South Africa), or by public international bodies of which one or more Member States of the European Union are members, the Fund may invest 100% of the net asset value of any Compartment in such securities provided that the Compartment holds securities from at least six different issues and the value of securities from any one issue does not account for more than 30% of the net asset value of the Compartment.**

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

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

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

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by any other Eligible State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members; or
- (iv) shares held in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Compartment's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.
- (E) (i) Each Compartment may acquire units of the UCITS and/or other UCIs referred to in paragraph (A) (d), provided that no more than 20% of a Compartment's net assets be invested in the units of a single UCITS or other UCI.



## FCS FUND SERVICES SICAV

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

- (ii) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net asset of a Compartment.
- (iii) When a Compartment invests in the units of other UCITS and/or other UCIs linked to the Management Company by common management or control, or by a substantial direct or indirect holding, or managed by a management company linked to the relevant Investment Manager, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.

In respect of a Compartment's investments in UCITS and other UCIs linked to the Management Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Compartment and each of the UCITS or other UCIs concerned shall not exceed 2% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Compartment and to the UCITS and other UCIs in which such Compartment has invested during the relevant period.

- (iv) The Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.
- (v) The underlying investments held by the UCITS or other UCIs in which the Compartments invest do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.
- (vi) Unless otherwise decided by the Board of Directors and specifically disclosed in the relevant Appendix in relation to a given Compartment, the Fund will not invest more than 10% of its net assets in units of UCITS or other UCIs.

### **21.2. Investment in other assets**

- (A) The Fund will not make investments in precious metals or certificates representing these.
- (B) The Fund may not enter into transactions involving commodities or commodity contracts, except that the Fund may employ techniques and instruments relating to transferable securities within the limits set out in paragraph 3. below.

## FCS FUND SERVICES SICAV

- (C) The Fund will not purchase or sell real estate or any option, right or interest therein, provided the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (D) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in 1.(A) (1) d), f) and g).
- (E) The Fund may not borrow for the account of any Compartment, other than amounts which do not in aggregate exceed 10% of the net asset value of the Compartment, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (F) The Fund will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Compartment, except as may be necessary in connection with the borrowings mentioned in (E) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of each Compartment. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (G) The Fund will not underwrite or sub-underwrite securities of other issuers.
- (H) Under the conditions and within the limits laid down by the Law, the Fund may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Compartment qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Compartment into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with 1.(B);
- financial derivative instruments, which may be used only for hedging purposes.

For the purposes of compliance with article 42 paragraph (3) of the Law, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or

## FCS FUND SERVICES SICAV

- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.
- (I) A Compartment (the "Investing Compartment") may subscribe, acquire and/or hold securities to be issued or issued by one or more Compartments (each, a "Target Compartment") without the Company being subject to the requirements of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:
- the Target Compartment does not, in turn, invest in the Investing Compartment invested in this Target Compartment; and
  - no more than 10% of the assets that the Target Fund whose acquisition is contemplated, may, according to its investment policy, be invested in units of other UCITS or other UCIs; and
  - the Investing Compartment may not invest more than 20% of its net assets in units of a single Target Compartment; and
  - to the extent required by applicable laws and regulations, there is no duplication of management/subscription or repurchase fees between those at the level of the Investing Compartment having invested in the Target Compartment, and this Target Compartment.

### **21.3. Financial derivative instruments and use of techniques and instruments relating to transferable securities and money market instruments**

The Fund does not currently intend to enter into securities lending or repurchase and/or reverse repurchase transactions. However, should the Fund decide to make use of such transactions in the future, the Prospectus will be updated in conformity with the provisions of Regulation (EU) 2015/2365 of the European Parliament and of the Council and any relevant CSSF circular in order to disclose adequate information in this regard.

In any case, the Compartments must comply with the requirements of the Grand Ducal Regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to UCITS and the ESMA Guidelines 2014/937 adopted by ESMA concerning ETFs and other UCITS issues as also specified within CSSF Circular 14/592.

The Fund will not receive any collateral regarding securities lending or repurchase and/or reverse repurchase transactions or any other transactions. Should the Fund receive collateral in the future, this section 21.3 will be amended accordingly.

### **21.3.1. Options on transferable securities**

For each Compartment, the Fund may, in compliance with the following guidelines, buy and sell both call and put options provided they are traded either on a regulated market which is operating regularly, recognised and open to the public or in over-the-counter (OTC) options whereby the counterpart to these transactions must be prime financial institution specialised in this kind of operations and having a prime quality rating of a recognised rating agency:

#### *Purchase of Options*

The sum of the premiums paid to purchase outstanding call and put options must, together with the total premiums paid for the purchase of outstanding call and put options related to non-hedging transactions, not exceed 15% of the total net assets of each Compartment.

#### *Sale of Options*

At the conclusion of contracts for the sale of call options, a Compartment must hold either the underlying securities or equivalent call options or other instruments capable of ensuring adequate coverage of the commitments resulting from such contracts, such as warrants. The underlying securities related to call options written may not be disposed of as, long as these options are in existence unless such options are covered by matching options or by other instruments that can be used for that purpose. The same regulations also apply to matching call options or other instruments that each Compartment must hold when it does not have the underlying securities at the time of the sale of the relevant options. As an exception to these regulations, each Compartment may write uncovered call options on securities that it does not own at the conclusion of the option contract if the following conditions are met (a) the exercise price of the call options sold in this way does not exceed 25% of the net asset value of each Compartment; (b) each Compartment must at all times be able to cover the positions taken on these sales. Where a put option is sold, each Compartment must be covered for the full duration of the option contract by liquid assets sufficient to pay for the securities deliverable to it on the exercise of the option by the counterpart.

#### *Conditions and limits for the sale of call and put options*

The total commitment arising on the sale of call and put options (excluding the sale of call options for which the Fund has adequate coverage) together with the total commitment arising on transactions described under Non-Hedging Transactions, below, may at no time exceed the total net asset value of each Compartment.

In this context, the commitment on call and put options sold is equal to the total of the exercise prices of those options.

### **21.3.2. Financial Futures, Swaps and Options**

With the exception of transactions by private contract to hedge risks in the event of interest rate fluctuations, futures and options on financial instruments may only consist of contracts traded either on a regulated market which is operating regularly, recognised and open to the public or in over-the-counter (OTC)

## FCS FUND SERVICES SICAV

contracts as defined under (I). Subject to the conditions defined below, such transactions may be undertaken for hedging or other purposes.

### *Hedging of Market Risks:*

As a global hedge against the risk of unfavourable stock market movements, each Compartment may sell stock index futures and call options on stock indices or purchase put options thereon. The objective of these hedging operations assumes that a sufficient correlation exists between the composition of the index used and the Fund's portfolio. In principle, the total commitment resulting from futures contracts and stock index options may not exceed the aggregate estimated market value of the securities held by each Compartment in the corresponding market.

This does not apply for Compartments which are not allowed to invest in equities.

### *Hedging of Interest Rate Risks:*

As a global hedge against interest rate fluctuations, each Compartment may sell interest rate futures contracts. For the same purpose, it can also write call options or purchase put options on interest rates or enter into interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of operations. In principle the total commitment on futures contracts, options and swap contracts may not exceed the aggregate estimated market value of the assets to be hedged and held by the Compartment in the currency corresponding to those contracts.

### *Non-Hedging Transactions:*

Besides option contracts on transferable securities and contracts on currencies, each Compartment may for a purpose other than hedging, purchase and sell futures contracts and options on any kind of financial instrument provided that the aggregate commitment arising on these purchase and sale transactions together with the total commitment arising on the writing of call and put options on transferable securities at no time exceeds the net asset value of the Compartment. The writing of call options on transferable securities for which the Compartment has sufficient coverage are not considered for the calculation of the aggregate commitments referred to above.

In this context, the commitment arising on transactions which do not relate to options on transferable securities is defined as follows: (a) the commitment arising on futures contracts is deemed equal to the value of the underlying net position payable on those contracts relating to similar financial instruments (after netting between purchase and sale positions), without taking into account the respective maturity dates; and, (b) the commitment deriving from options purchased and written is equal to the aggregate of the exercise (striking) prices of net sales positions which relate to single underlying assets without taking into account the respective maturity dates.

For non-hedging transactions, the Fund may enter into swaps agreements in which the Fund and the counterparty agree to exchange the returns generated by a security, instrument, basket or index thereof for the returns generated by another security, instrument, basket or index thereof. The payments made by the

## FCS FUND SERVICES SICAV

Fund to the counterparty and vice versa are calculated by reference to a specific security, index, or instrument and an agreed upon notional amount. The relevant indices include, but are not limited to, currencies, fixed interest rates, prices and total return on interest rate indices, fixed income indices and stock indices. The Management Company may enter for each Compartment into swap agreements relating to any financial instrument or index provided that the total commitment arising from such transactions together with the total commitments mentioned under (1) "*Conditions and limits for the sale of call and put options*", (2) "*Non-Hedging Transactions*" at no time exceeds the net asset value of the respective Compartment and the counterparty to the swap agreement is a first class financial institution that specialises in that type of transactions. In this particular context, the commitment arising on a swap transaction is equal to the value of the net position under the agreement marked to market daily. Any accrued, but unpaid, net amounts owed to a swap counterparty will be covered by cash or transferable securities.

### **21.3.3. Techniques and Instruments for Hedging Currency Risks**

In order to protect its assets against the fluctuation of currencies, each Compartment may enter into transactions the purpose of which is the sale of currency futures contracts, sale of call options or the purchase of put options in respect of currencies. The transactions referred to herein may only concern contracts, which are traded on a regulated market, operating regularly, recognised and open to the public.

For the same purpose each Compartment may also sell currencies forward or exchange currencies on a mutual agreement basis with first class financial institutions specialising in this type of transactions.

The hedging objective of the transactions referred to above presupposes the existence of a direct relationship between these transactions and the assets which are being hedged and implies that, in principle, transactions in a given currency cannot exceed the total valuation of assets denominated in that currency nor may the duration of these transactions exceed the period for which the respective assets are held.

### **21.4. Risk Management Process**

The Management Company, on behalf of the Fund, will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Compartment in accordance with CSSF Circular 11/512 or any other applicable circular of the Luxembourg supervisory authority. The Management Company, on behalf of the Fund, will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Upon request of an Investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments. This supplementary information includes the VaR levels set for the Funds using such risk measure.

The risk management framework is available upon request from the Fund's registered office.

## FCS FUND SERVICES SICAV

Unless otherwise explicitly stated in the relevant Appendix for a Compartment, all Compartments will apply the commitment approach for measuring risk.

### 21.5. Miscellaneous

- A. The Fund may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraph 1. (A) (1) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Fund shall not be prevented from acquiring such securities above which are not fully paid.
- B. The Fund need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.
- C. When investing in American Depositary Receipts (ADRs) Global Depositary Receipts (GDRs) or similar securities, such securities shall not incorporate a derivative (so-called delta 1 securities).

\* \* \* \* \*

If the limits referred to in the paragraphs in this section and in the relevant Appendix are exceeded for reasons beyond the control of the Fund, or as a result of the exercise of subscription rights, the Board of Directors must, as a priority, take all steps as necessary within a reasonable period of time to rectify that situation, taking due account of the interests of its Shareholders.

## 22. RISKS OF INVESTMENT

The nature of the Fund's investments involves certain risks and the Fund may utilise investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Shares:

### **Suspension of Share dealings**

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be suspended (see "SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE / REDEMPTION AND CONVERSION PRICES").

### **Business Risk**

There can be no assurance that the Fund or any Compartment will achieve its investment objective. There is no operating history by which to evaluate their likely future performance. The investment results of the Fund or any Compartment are reliant upon the success of the Investment Managers and the performance of the markets the Compartments invest in.

## FCS FUND SERVICES SICAV

### **Substantial Redemptions**

In the event that there are substantial redemptions of Shares, it may be more difficult for a Compartment to generate the same level of profits operating on a smaller capital base. In the event that there are substantial redemptions on any date, the relevant Compartment might be required to liquidate positions at an inappropriate time, or on unfavourable terms, in order to raise sufficient funds to meet redemption payments affecting the Net Asset Value of both the Shares being redeemed and the outstanding Shares.

### **Risks linked to equity investments**

A Compartment may be exposed to equity risk including failures of the issuer and substantial declines in value at any stage. Investments in stock-listed equities made by a Compartment depend for a large part of the evolution of the stock markets, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and could therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and so are exposed to higher risks. Furthermore, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. The equity securities of smaller companies are more sensitive to these changes than those of larger companies. This risk will affect the value of such Compartments, which will fluctuate as the value of the underlying equity securities fluctuates.

### **Debt Securities**

The Fund may invest in fixed income securities which may be unrated by a recognised credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Fund will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

### **Investments in other UCITS and/or UCI**

The value of an investment represented by a UCI in which the Fund invests, may be affected by fluctuations in the currency of the country where such UCI invests, or by foreign exchange rules, the application of the various tax laws of the relevant countries, including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries.

Furthermore, it is to be noted that the net asset value per Share will fluctuate mainly in light of the net asset value of the targeted UCIs. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which some underlying funds are established or serviced or invested may



## FCS FUND SERVICES SICAV

not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

### **Duplication of Fees**

As the Fund may invest in other UCIs, these investments may entail a duplication of certain fees and expenses for the Shareholders, for instance the commissions for the Custodian and the Central Administrator, management / advisory fees and issue / redemption fees on the level of invested UCIs.

### **Liquidity and Market Characteristics**

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

### **Counterparty Risk**

The Fund will be subject to the risk of the inability of any counterparty (including the Clearing Broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

### **Net Asset Value Considerations**

The net asset value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the net asset value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

### **Currency Exposure**

The Shares may be denominated in different currencies and Shares will be issued and redeemed in those currencies. Certain of the assets of the Fund may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Fund will be subject to foreign exchange risks. The Fund may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the USD and such other currencies.

### **Profit Sharing**

In addition to receiving management and advisory fees, the Investment Managers may also receive a performance fee based on the appreciation in the net asset value per Share and accordingly the performance

## FCS FUND SERVICES SICAV

fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a performance fee may be paid on unrealised gains which may subsequently never be realised.

### **Potential Conflicts of Interest**

The Management Company, the Investment Manager(s), if any, the Central Administration, the Custodian or may from time to time act as management company, investment manager, central administrator, custodian or prime broker in relation to, or be otherwise involved in, other investment schemes which have similar investment objectives to those of the Fund or any Compartment. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Fund or any Compartment. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Fund or any Compartment. In particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly. There is no prohibition on the Fund entering into any transactions with the Management Company, the Investment Manager(s), the Central Administration, the Custodian, the Prime Broker(s) or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length.

The Investment Managers may effect transactions in which the Investment Managers have, directly or indirectly, an interest which may involve a potential conflict with the Investment Manager's duty to the Fund. The Investment Manager shall not be liable to account to the Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Managers' fees, unless otherwise provided, be abated.

### **Regulatory Risk**

The Fund is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, Compartments may be registered in non-EU jurisdictions. As a result of such registrations these Compartments may be subject to more restrictive regulatory regimes. In such cases these Compartments will abide by these more restrictive requirements. This may prevent these Compartments from making the fullest possible use of the investment limits.

### **Credit Risk**

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Compartment owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Compartment's Investment Manager may consider the highest rating for the purposes of determining whether the security is investment grade. A Compartment will not necessarily dispose of a security held by

## FCS FUND SERVICES SICAV

it if its rating falls below investment grade, although the Compartment's Investment Manager will consider whether the security continues to be an appropriate investment for the Compartment. Some of the Compartments will invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Manager.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

### **Futures, Options and Forward Transactions Risk**

The Compartments may use options, futures and forward contracts on currencies securities, indices, volatility, inflation and interest rates for hedging and investment purposes.

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

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

Forward transactions, in particular those traded over-the-counter, have an increased counterparty risk. If a counterparty defaults, the Compartment may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

### **Market and Settlement Risks**

The securities markets in some countries lack the liquidity, efficiency and regulatory controls of more developed markets. Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Compartment may make it difficult to assess reliably the market value of assets. The share register may not be properly maintained and the ownership or

## FCS FUND SERVICES SICAV

interest may not be (or remain) fully protected. Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Compartments. Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

Limitations may exist with respect to the Compartments ability to repatriate investment income, capital or the proceeds from the sale of securities by foreign investors. The Compartment can be adversely affected by delays in, or refusal to grant, any required governmental approval for such repatriation.

### **Credit default swap risk**

A credit default swap allows the transfer of default risk. This allows a Compartment to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Compartment does not hold the underlying reference obligation, there may be a market risk as the Compartment may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the Compartment may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Fund will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

### **Political and Economic Risks**

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

### **Legal Environment**

- The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.

## **FCS FUND SERVICES SICAV**

- Legislation could be imposed retrospectively or may be issued in the form of internal regulations which the public may not be made aware of.
- Judicial independence and political neutrality cannot be guaranteed.
- State bodies and judges may not adhere to the requirements of the law and the relevant contract.
- There is no certainty that investors will be compensated in full or in part for any damage incurred or loss suffered as a result of legislation imposed or decisions of state bodies or judges.

### **Accounting Practices**

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

### **Shareholder Risk**

Existing legislation may not yet be adequately developed to protect the rights of minority shareholders.

There is generally no concept of fiduciary duty to shareholders on the part of management.

There may be limited recourse for violation of such shareholders' rights as pertain.

### **Market and Settlement Risks**

The securities markets of some countries lack the liquidity, efficiency, regulatory and supervisory controls of more developed markets.

Lack of liquidity may adversely affect the value or ease of disposal of assets.

The share register may not be properly maintained and the ownership interests may not be, or remain, fully protected.

Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Funds.

### **Price Movement and Performance**

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

## FCS FUND SERVICES SICAV

### **Currency Risk**

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

### **Execution and Counterparty Risk**

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

### **Taxation**

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which a Compartment invests or may invest in the future (in particular Russia, China and other emerging markets) is not clearly established. Tax law and practice may equally be subject to change in developed countries, where governments implement fiscal reforms. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the Fund could become subject to additional taxation in such countries that is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

**APPENDIX I: FCS FUND SERVICES – FCS FLEX ABLE GROWTH SUB-FUND**

**Investment Objective**

The Fund aims to be a capital growth fund. The Fund is an accumulation fund so no dividends will be distributed.

In order to achieve this investment objective, the Fund may invest in a wide range of actively managed assets, which will carry associated risks to this investment objective.

The Fund is a global asset allocation fund, which may invest up to 100% in equity securities but generally it will intend to mitigate risk through the adequate diversification among asset classes. The Fund intends to follow an unconstrained investment style, adaptive to market circumstances, which means that it will not follow a specific market benchmark index. Given the high level of discretion of the Management Company, the Fund has a high risk and investors should be aware of this before purchasing the shares. The Fund will have the investment constraints set in section "Investment Restrictions" of the Prospectus.

**The Fund may use derivatives for hedging purposes but also for investment purposes, within the Investment Restrictions, from time to time.** The derivatives will be primarily listed derivatives, and in any event within the 10% maximum limit stated under the Investment Restrictions.

**There is no guarantee that the investment objective of the Fund will be achieved and investment results may vary substantially over time.**

**Investment Policy**

In seeking to achieve the Fund's investment objective, when making investments in equity securities, the Fund will invest principally in listed equity securities, always in respect of the provisions of item (A) (2) of section "Investment Restrictions" of the Prospectus. As outlined above, the investment policy can be described as an "unconstrained" investment style, adaptive to market circumstances, which means that it can freely adapt to the market circumstances by having a high degree of discretion in the asset classes it can invest in. The only investment restrictions will be those specified in section "Investment Restrictions" of the Prospectus.

The Fund may invest in equities, fixed income instruments, units of UCITS, open ended ETFs and financial derivative instruments, eligible commodity indices and foreign currency deposits, and any other kind of assets as described in the section "Investments in Eligible Assets" of the Prospectus.

The Fund may not invest more than 20% of its assets in deposits made with the same body.

For further detail on the eligible assets the Fund may invest in please see the section "Investments in Eligible Assets" of the Prospectus.

## FCS FUND SERVICES SICAV

<p>Notwithstanding the above, this Fund will have a particular investment restriction: the Fund may not invest more than 10% of its assets in other UCITS.</p> <p>The Management Company will aim at identifying assets that may be mispriced in the short run with a view that there will be a correction in the value of the asset. The Fund will profit from trading the mispriced asset and then wait for the market to correctly re-price the asset. The Fund will not be biased towards any country, sector or region.</p>	
<b>Investment Management Fee</b>	<p>Will be calculated as a percentage per year of the average total net assets of the Compartment during the month concerned (all taxes included), payable monthly in arrears by the Compartment within thirty (30) business days of the last business day of each month.</p> <p>The percentage will be 0.65% per annum for Class A shares and 1% per annum for Class B shares. Any reasonable disbursements and out-of-pocket expenses (including without limitation legal fees, external service providers fees, telephone, telex, cable and postage expenses) incurred by the Management Company will be borne by the Compartment.</p>
<b>Reference Currency</b>	EUR
<b>Valuation Day</b>	Daily
<b>Classes of Shares</b>	<p>Class A shares are reserved for institutional investors.</p> <p>Class B shares will be available to all types of investors.</p>
<b>Categories of Shares</b>	Classes A and B: accumulation of shares
<b>Typical Investor Profile</b>	The Fund is a suitable investment for investors who are seeking long term growth potential offered through investments in securities invested on a global scale.
<b>Historical Performance</b>	Information on historical performance of the Fund is available at the registered office of the Management Company.
<b>Minimum Initial Investment</b>	None
<b>Minimum Subsequent Investment</b>	None
<b>Subscriptions</b>	Application deadline: 5 p.m. Luxembourg time on each business days prior to the applicable Valuation



## FCS FUND SERVICES SICAV

	<p>Day. Applications received by the Central Administration after this time will be deemed to have been received on the following business day.</p> <p>Payments of subscriptions must be made in the applicable class reference currency no later than three (3) business days following the Valuation Day.</p>
<b>Redemptions and conversions</b>	<p>The deadline is established at 5 p.m. Luxembourg time on each business days prior to the applicable Valuation Day. Applications received by the Central Administration after this time will be deemed to have been received on the following business day.</p> <p>Payments of redemptions shall be made not later than three (3) business days counting from and including the date on which the net asset value of the redeemed Shares is made available.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Management fee</b>	<p>Class A: 0.65% out of the Compartment's net assets.</p> <p>Class B: 1% out of the Compartment's net assets.</p> <p>Part of these management fees may be retroceded to the various financial intermediaries involved in the placement of the Fund's Shares.</p>
<b>Performance Fee</b>	None

**APPENDIX II: FCS FUND SERVICES SICAV – FCS FLEX ABLE GROWTH PLUS SUB-FUND**

**Investment Objective**

The Fund aims to be a capital growth fund. The Fund is an accumulation fund so no dividends will be distributed.

In order to achieve this investment objective, the Fund may invest in a wide range of actively managed assets, which will carry associated risks to this investment objective.

The Fund is a global asset allocation fund, which may invest up to 100% in equity securities. While generally the intention will be to mitigate risk through the adequate diversification among asset classes, under normal market conditions the Fund's equity allocation will not be less than 10% of the Fund's net assets. The Fund intends to follow an unconstrained investment style, adaptive to market circumstances, which means that it will not follow a specific market benchmark index. Given the high level of discretion of the Management Company, the Fund has a high risk and investors should be aware of this before purchasing the shares. The Fund will have the investment constraints set in section "Investment Restrictions" of the Prospectus.

**The Fund may use derivatives for hedging purposes but also for investment purposes, within the Investment Restrictions, from time to time.** The derivatives will be primarily listed derivatives, and in any event within the 10% maximum limit stated under the Investment Restrictions.

**There is no guarantee that the investment objective of the Fund will be achieved and investment results may vary substantially over time.**

**Investment Policy**

In seeking to achieve the Fund's investment objective, when making investments in equity securities, the Fund will invest principally in listed equity securities, always in respect of the provisions of item (A) (2) of section "Investment Restrictions" of the Prospectus. As outlined above, the investment policy can be described as an "unconstrained" investment style, adaptive to market circumstances, which means that it can freely adapt to the market circumstances by having a high degree of discretion in the asset classes it can invest in. The only investment restrictions will be those specified in section "Investment Restrictions" of the Prospectus.

The Fund may invest in equities, fixed income instruments, units of UCITS, open ended ETFs and financial derivative instruments, eligible commodity indices and foreign currency deposits, and any other kind of assets as described in the section "Investments in Eligible Assets" of the Prospectus.

The Fund may not invest more than 20% of its assets in deposits made with the same body.

## FCS FUND SERVICES SICAV

<p>For further detail on the eligible assets the Fund may invest in please see the section "Investments in Eligible Assets" of the Prospectus.</p> <p>Notwithstanding the above, this Fund will have a particular investment restriction: the Fund may not invest more than 10% of its assets in other UCITS.</p> <p>The Management Company will aim at identifying assets that may be mispriced in the short run with a view that there will be a correction in the value of the asset. The Fund will profit from trading the mispriced asset and then wait for the market to correctly re-price the asset. The Fund will not be biased towards any country, sector or region.</p>	
<p><b>Investment Management Fee</b></p>	<p>Will be calculated as a percentage per year of the average total net assets of the Compartment during the month concerned (all taxes included), payable monthly in arrears by the Compartment within thirty (30) business days of the last business day of each month.</p> <p>The percentage will be 0.16% per annum for Class A shares and 1% per annum for Class B shares.</p> <p>Any reasonable disbursements and out-of-pocket expenses (including without limitation legal fees, external service providers fees, telephone, telex, cable and postage expenses) incurred by the Management Company will be borne by the Compartment.</p>
<p><b>Reference Currency</b></p>	<p>EUR</p>
<p><b>Valuation Day</b></p>	<p>Daily</p>
<p><b>Classes of Shares</b></p>	<p>Class A shares are reserved for institutional investors</p> <p>Class B shares will be available to all types of investors</p>
<p><b>Categories of Shares</b></p>	<p>Classes A and B: accumulation of shares</p>
<p><b>Typical Investor Profile</b></p>	<p>The Fund is a suitable investment for investors who are seeking long term growth potential offered through investments in securities invested on a global scale.</p>
<p><b>Historical Performance</b></p>	<p>Information on historical performance of the Fund is available at the registered office of the Management Company.</p>
<p><b>Minimum Initial Investment</b></p>	<p>None</p>

## FCS FUND SERVICES SICAV

<b>Minimum Subsequent Investment</b>	None
<b>Subscriptions</b>	<p>Application deadline: 5 p.m. Luxembourg time on each business days prior to the applicable Valuation Day. Applications received by the Central Administration after this time will be deemed to have been received on the following business day.</p> <p>Payments of subscriptions must be made in the applicable class reference currency no later than three (3) business days following the Valuation Day.</p>
<b>Redemptions and conversions</b>	<p>The deadline is established at 5 p.m. Luxembourg time on each business days prior to the applicable Valuation Day. Applications received by the Central Administration after this time will be deemed to have been received on the following business day.</p> <p>Payments of redemptions shall be made not later than three (3) business days counting from and including the date on which the net asset value of the redeemed Shares is made available.</p>
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None
<b>Conversion Commission</b>	None
<b>Management fee</b>	<p>Class A: 0.16% p.a. out of the Compartment's net assets.</p> <p>Class B: 1% p.a. out of the Compartment's net assets.</p> <p>Part of these management fees may be retroceded to the various financial intermediaries involved in the placement of the Fund's Shares.</p>
<b>Performance Fee</b>	None