

PROSPECTUS

**in respect of the permanent offer of Units in
the Sub-Funds of**

BOV INVESTMENT FUNDS (the “Fund”)

**(an open-ended UCITS umbrella contractual fund licenced by the Malta Financial
Services Authority as a collective investment scheme pursuant to the Investment
Services Act (Cap. 370, Laws of Malta and the UCITS Directive)**

15 November 2023

IMPORTANT INFORMATION

Responsibility Statement

The Directors whose names appear under the section headed 'Management of the Fund' are the persons responsible for the information contained in this Prospectus. To the best of the knowledge of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Offering, solely on the basis of this Prospectus

No broker, dealer, salesman or other person has been authorised by the Manager, the Directors or the Custodian to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Units other than those contained in this Prospectus and in the documents referred to herein, in connection with the offer hereby made, and if given or made, such information or representations must not be relied upon as having been authorised by the Manager, the Directors, the Custodian or the Administrator.

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

Licensing Status and MFSA Disclaimer

The Fund was established on 6 December 2016. The Fund is structured as an open-ended UCITS umbrella contractual fund governed by the laws of Malta. The Fund and the Sub-Funds are licensed by the MFSA as CISs under the Investment Services Act (Cap. 370 of the Laws of Malta). The Fund qualifies as a 'Maltese UCITS' in terms of the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18).

Authorisation of the Fund and its Sub-Funds by the MFSA does not constitute a warranty by the MFSA as to the performance of the Fund and its Sub-Funds and the MFSA shall not be liable for the performance or default of the Fund and its Sub-Funds.

No Application to List Units on any Stock Exchange

No application has been made for a listing on any stock exchange for any of the Units or for the grant of permission for any Units to be traded on any other exchange.

Restricted Offer

This Prospectus does not constitute, and may not be used for purposes of, an offer or invitation to subscribe for Units by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so, or, (iii) to any person to whom it is unlawful to make such offer or invitation.

It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Units to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction.

The Units have not been nor will be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”) or under any State securities law and, except with the specific consent of the Manager, may not be offered, marketed or sold directly or indirectly, in the United States of America, its territories or possessions or any area subject to its jurisdiction (the “**United States**”) or to any person which qualifies as a U.S. Person (whether in terms of Regulation S of the 1933 Act and/or the Foreign Account Tax Compliance Act (“**FATCA**”), as both may be amended from time to time). In addition, the Fund will not be registered under the United States Investment Company Act of 1940 (the “**1940 Act**”), as amended and the investors will not be entitled to the benefits of the 1940 Act.

Investment Risk

Investment in any Sub-Fund carries risks normally attributable to investment in CISs. Investors and potential investors in the Sub-Funds are invited to obtain individual professional advice so as to be fully aware of how they may be affected financially by such risks. Investors should also inform themselves of, and consider carefully, the tax implications of investing in the Sub-Funds and of any laws, rules or regulations or conditions which could affect (by virtue, for instance, of the investor’s domicile) the investment return on their investment in the Sub-Funds. There can be no assurance that the Sub-Fund’s investment objectives will be achieved and investment results may vary substantially over time. Prospective investors should be aware that the value of investments can go down as well as up and the attention of investors is drawn to the Section entitled “Risk Factors”. Prospective investors should carefully consider whether an investment in the Units is suitable for them in light of their circumstances and financial resources. Investors should be aware that by investing in a Sub-Fund, they risk losing all or part of the capital invested.

Applicable Law and Jurisdiction

This Prospectus, the KIDs and any statements made therein are based on and subject to Maltese law. The courts of Malta shall have sole jurisdiction (to the exclusion of any other courts in any other jurisdiction) to settle any dispute arising out of or in connection with

this Prospectus and any KID (including, without limitation, any dispute regarding the existence, validity, breach or termination of this Prospectus).

NOTE: This Prospectus replaces the Prospectus dated 15 July 2022 in its entirety.

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DEFINITIONS

In this Prospectus, the following terms shall, unless otherwise expressly defined for any specific purpose or part/s hereof or unless the context otherwise requires, have the meanings respectively assigned to them hereunder:

“Accounting Currency”	Euro;
“Accounting Period”	means, unless otherwise determined by the Manager and the Custodian, a fiscal period of the Fund commencing in the case of the first such period on the date of the first issue of Units and terminating on 30 April of 2017 and in any other case commencing on 1 May of each year and ending on 30 April of each year;
“Administrator”	Means BOV Fund Services Limited, bearing company registration number 39623 and having its registered registered office at Premium Banking Centre, 475, Triq il-Kbira San Guzepp Santa Venera, SVR 1011, Malta;
“Application Form”	Means the form, a specimen of which is available from the Administrator, which has to be submitted to the Manager (at the offices of the Administrator) by a prospective investor for the purpose of applying and, if accepted, subscribing to Units;
“Approved Collateral”	Means collateral provided by an Approved Counterparty in connection with an FDI which satisfies the requirements imposed by MFSA Rules and the Licence Conditions;
“Approved Counterparty”	Means counterparties which: <ol style="list-style-type: none">1. are not the Investment Manager;2. form part of a group whose head office or parent company is licensed, registered or based in Malta, or in any member of the OECD or the EEA;3. are subject to prudential supervision in accordance with provisions equivalent to EU Directive 93/6/EEC or EU Directives 73/239/EEC and 79/267/EEC as amended; and4. have a credit rating of at least A (Standards & Poor's) or

	<p>A2 (Moody's) or BBB+ by Fitch Ratings or an equivalent rating by another internationally renowned credit rating agency, unless a derogation is otherwise granted by the MFSA.</p> <p>In the case of an OTC FDI transaction, such counterparty must satisfy the Investment Manager that it:</p> <ul style="list-style-type: none"> a) has agreed to value the transaction at least weekly, and b) will close out the transaction at the request of the Investment Manager at fair value.
“Approved Institution”	Means a credit institution that is authorised in Malta or in any EEA member state, or is otherwise a credit institution that has been approved by the MFSA;
“Approved Regulated Market”	Means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system and in accordance with its nondiscretionary rules in a way which results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is considered by the Manager with the agreement of the Custodian, to provide an appropriate market for the securities of the Sub-Fund in question. A list of the Approved Regulated Markets selected for the Fund as of the date hereof appears in Appendix 1 of this Prospectus and, if any additional ones are selected in relation to a particular Sub-Fund, these will be outlined in the relevant Offering Supplement;
“Article 6 Fund”	A Sub-Fund of the BOV Investment Funds which does not meet the criteria set out in Article 8 or Article 9 of SFDR;
“Auditor/s”	Means the auditors of the Fund, which, as at the date hereof, are PricewaterhouseCoopers;
“Base Currency”	Means the currency in which a class of Units is denominated, which currency will be set out in the relevant Offering Supplement;
“Business Day”	Means a day other than a Saturday or Sunday on which banks in Malta are open for normal banking business;
“CIS”	Means a collective investment scheme; the term CISs is

	used to refer to more than collective investment scheme;
“Closing Date”	Means the date on which the Initial Offering Period for a particular class of Units ends;
“Custodian”	Means Bank of Valletta p.l.c, bearing company registration number C 2833 and having its registered address at 58, Zachary Street, Valletta VLT 1130, Malta;
“Dealing Day”	Means the day on which Units in a Sub-Fund can be subscribed, redeemed or switched, as the same will be set out in the relevant Offering Supplement;
“Deed of Constitution”	Means the deed of constitution entered into by and between the Manager and the Custodian on 6 December 2016, by virtue of which the Fund was constituted, as amended from time to time;
“Directors”	Means the directors of the Investment Manager;
“EEA”	Means the European Economic Area and unless otherwise specified herein, references to the EEA and its member states shall encompass the EU and its member states.
“ESG”	Environmental, social and governance hallmarks
“EU”	Means the European Union;
“Euro” or “€”	Means the lawful currency of the EU;
“FDI”	Means a financial derivative instrument (including an OTC FDI);
“Initial Offering Period”	In relation to any particular class of Units, the period specified in the relevant Offering Supplement;
“Initial Offer Price”	Means the price at which Units in a Sub-Fund will be offered during the Initial Offering Period, as the same will be set out in the relevant Offering Supplement;
“Investment Manager” or “Manager”	Means BOV Asset Management Limited, bearing company registration number C 18603 and having its registered address at 58, Zachary Street, Valletta, VLT 1130 Malta;
“KID”	Means the key information document required to be drawn up in terms of the PRIIPS Regulation (Regulation (EU) No

	1286/2014, as amended from time to time);
“Licence Conditions”	Means the conditions in the relevant licence issued by the MFSA to the Fund and the Sub-Funds;
“Member State”	Means a member state of the EU;
“MFSA”	Means the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330, laws of Malta);
“MFSA Rules”	Means any guidelines or rules, issued by the MFSA, and any amendments thereto from time to time in force, which may be applicable to the Fund and the Sub-Funds;
“Minimum Additional Investment”	Means the minimum value of Units for which an additional subscription by an existing Unit Holder may be made, details of which, insofar as applicable, will be specified in the relevant Offering Supplement;
“Minimum Holding”	Means the minimum value of Units that must be held by any investor in a Sub-Fund, details of which, in respect of each Sub-Fund, will be specified in the relevant Offering Supplement;
“Minimum Initial Investment”	Means the minimum value of Units for which an initial subscription may be made, details of which, in respect of each Sub-Fund, will be stated in the relevant Offering Supplement.
“Money Market Instruments”	Means instruments normally dealt in on the money market which are liquid and whose value can be accurately determined at any time;
“Net Asset Value” or “Net Asset Value per Unit”	Means the net asset value of a Sub-Fund or of any class of Units (as the context may require) calculated in accordance with the principles set out in this Prospectus and in the Deed of Constitution on the relevant Valuation Day;
“Offering Supplement/s”	Means the offering supplement/s of a Sub-Fund/s;
“OTC FDI”	Means a financial derivative instrument which is dealt in an "over-the counter" market;
“Prospectus”	Means this document in its entirety including each Offering

	Supplement, except where the latter are referred to in their individual capacity;
“Redemption Form”	Means the form, a specimen of which is available from the Administrator, which has to be submitted to the Manager (at the offices of the Administrator) by a Unit Holder for the purposes of requesting a redemption of Units;
“Redemption Price”	Means the price at which Units may be redeemed, which price is the Net Asset Value per Unit on the relevant Valuation Day;
“Register”	Means the register in which the names of Unit Holders in a Sub-Fund are listed;
“Service Provider”	Means the Administrator, the Custodian and any other service provider appointed in respect of the Fund and the Sub-Funds;
“SFDR”	Means regulation (EU) 2019/2088 as amended from time to time;
“Sub-Fund”	Means one or more classes of Units constituting that sub-fund to which are allocated assets and liabilities distinct from assets and liabilities of other sub-funds of the Fund which may pursue investment objectives and adhere to investment policies different from those of the other sub-funds of the Fund;
“Subscriber”	Means an investor seeking to purchase Units in a Sub-Fund;
“Sustainable Investment”	An investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices in particular with respect to sound management structures,

	employee relations, remuneration of staff and tax compliance;
“Taxonomy Regulation”	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.
“Transferable Securities”	Means securities being: <ul style="list-style-type: none"> a. shares in companies and other securities equivalent to shares in companies; b. bonds and other forms of securitised debt; and c. other negotiable securities which carry the right to acquire any such Transferable Securities by subscription or exchange <p>excluding the techniques and instruments referred to in Article 51 of the UCITS Directive;</p>
“UCITS”	Means an undertaking for collective investment in transferable securities established in terms of the UCITS Directive;
“UCITS Directive”	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast), as amended;
“UCITS Regulations”	Means the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta);
“Units”	Means units in a Sub-Fund representing an undivided interest in the assets of a Sub-Fund (including any fraction thereof) and which may be issued in different classes;
“Unit Holder/s”	means any person holding Unit/s in a Sub-Fund;
“Valuation Day”	Means the day designated for the valuation of assets of the Sub-Fund, as the same will be specified in the relevant Offering Supplement;
“Valuation Policy”	means the valuation policy of the Investment Manager.

For the purposes of this Prospectus unless the context otherwise requires or implies:

- a. words importing the singular include the plural and vice versa;
- b. words which are gender neutral or gender specific include each gender;
- c. an expression importing a natural person includes a company, partnership, joint venture, association, corporation or other body corporate and a government agency;
- d. a reference to “includes” means to include without limitation;
- e. a reference to a law is a reference to that law as amended, consolidated or replaced;
- f. a reference to a document includes all amendments or supplements to that document, or replacements or novations of it;
- g. a reference to a section, part, paragraph or appendix refers to a section, part, paragraph or appendix of this Prospectus;
- h. a reference to an entity in the Prospectus (as the context requires) includes that entity’s successors and permitted assigns; and
- i. all references to currencies shall include any successor currency.

PRINCIPLE FEATURES

The following should be read in conjunction with the full text of this Prospectus and is qualified in its entirety by and subject to the detailed information contained elsewhere in the Prospectus.

The Fund

The Fund is a UCITS umbrella contractual fund divided into a number of Sub-Funds and established by means of the Deed of Constitution. Neither the Fund, nor the Sub-Funds have legal personality and persons who become Unit Holders will acquire an undivided ownership right to the assets of the Sub-Fund in which they invest (and the income that is derived from such assets) in proportion to the number of Units held thereby.

The Fund has been established for an indefinite period of time.

The Sub-Funds

The Manager may, with the prior approval of the MFSA and with the consent of the Custodian, establish Sub-Funds by the issue of one or more separate classes of Units and may also issue further classes of Units within existing Sub-Funds. As at the date of this Prospectus, the following sub-funds have been established: i) BOV Conservative Portfolio Fund; ii) BOV Balanced Portfolio Fund; iii) BOV Growth Portfolio Fund and iv) BOV Capital Guaranteed Fund 2027 (the "**Licensed Sub-Funds**").

The assets and liabilities of each Sub-Fund shall be treated for all intents and purposes at law as a patrimony separate from the assets and liabilities of each other Sub-Fund. The liabilities incurred in respect of each Sub-Fund shall only be paid out of the assets forming part of the patrimony of such Sub-Fund. In the event that the liabilities of a particular Sub-Fund exceed its assets, the proportion of liabilities in excess of the assets shall not be allocated to the other Sub-Funds and the creditors of that Sub-Fund whose liabilities exceed its assets shall have no claim or right of action against the assets of the other Sub-Funds. The Manager shall hold or shall cause to be held such separate accounts, records statements and other documents as may be necessary to evidence the assets and liabilities of each Sub-Fund as distinct and separate from the assets and liabilities of all the other Sub-Funds.

Where a Sub-Fund is constituted by more than one class of Units, the assets and liabilities attributable to that class of Units do not constitute a separate patrimony from the assets and liabilities attributable to the other classes of Units in the same Sub-Fund.

Offering Documents

The offer of Units in any Sub-Fund is governed by this Prospectus and the respective Offering Supplement issued in connection with the initial offer of Units in the Licensed

Sub-Funds (as the same may be amended or supplemented from time to time). The Manager has also issued a KID for each Unit class of the above Sub-Funds.

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

Investment Objective, Policies and Restrictions

Details of the specific investment objective and policies for each Sub-Fund will be stated in the related Offering Supplement. The investment restrictions applicable to all Sub-Funds are set out in the section entitled 'Investment Objectives, Policies and Restrictions' below. Further restrictions (if any) in respect of each Sub-Fund will be contained in the relevant Offering Supplement. There is no guarantee that any of the investment objectives will be met.

Offer

Units will be offered at the Initial Offer Price during the Initial Offering Period. Thereafter, Units will be offered on the relevant Dealing Day (at the Net Asset Value per Unit) specified in Offering Supplements. Subscription monies and a fully completed Application Form (together with the accompanying documentation specified in the said application) have to reach the Manager at the office of the Administrator no later than the time provided for in the relevant Offering Supplement. The Manager may waive such notice period at its discretion.

Pricing

The calculation of the Net Asset Value of each Sub-Fund shall be effected by the Administrator at such intervals and in such manner as is stated in this Prospectus and the relevant Offering Supplement.

Distributions

The Manager may, in agreement with the Custodian, make such income distributions in respect of the Units as appear to the Manager to be justified. Such income distributions (if any) will be made at such frequency as may be set out in the relevant Offering Supplement and will be paid in the currency of the relevant Unit class in the Sub-Fund. Where only accumulation Units are issued in relation to a particular Sub-Fund, the net income (if any), after expenses, will be reflected in the price of the Units of such Sub-Fund. Where both accumulation and distribution Units are issued in relation to a particular Sub-Fund, the net income shall be allocated between the accumulation and distribution Units on the basis of the terms set out in the Deed of Constitution and the relevant Offering Supplement.

Details of the income distribution policy of each Sub-Fund (if any) will be set out in the relevant Offering Supplement.

Minimum Holding in Sub-Funds

Each Offering Supplement will give details of the minimum number or value of Units that must be held in that Sub-Fund. In exceptional cases, the Manager shall have discretion to permit, in respect of this minimum, a lesser amount. The Minimum Holding requirement applies at all times to all Unit Holders, however no obligations shall arise upon a Unit Holder should the Net Asset Value of a holding reduce to less than the Minimum Holding as a result of fluctuation of the underlying assets.

Minimum Initial Investment for Units in the Sub-Funds

The Offering Supplement will give details of the Minimum Initial Investment for Units in any Sub Fund. In exceptional cases, the Manager shall have discretion to permit, in respect of such Minimum Initial Investment amount as may be specified in the related Offering Supplement, a lesser amount.

Minimum Additional Investment

The Offering Supplement may also give details of the Minimum Additional Investment for Units in any Sub-Fund, subject to the Minimum Holding limit described above. In exceptional cases, the Manager shall have discretion to permit, in respect of such Minimum Additional Investment amount as may be specified in the related Offering Supplement, a lesser amount.

Application Form

Units may be acquired on the Dealing Day specified in the relevant Offering Supplement. Application Forms for Units may be submitted to the Manager at the office of the Administrator, in the prescribed form, a copy of which is available from the Administrator. Application Forms can only be accepted if the Manager has received the subscription amounts in cleared funds, within the deadlines stated in the relevant Offering Supplement. See the part entitled 'Buying and Selling' for further details.

Redemption

Units may be redeemed on any Dealing Day. A redemption request must be received by the Manager at the office of the Administrator with such prior notice before the Dealing Day as may be stated in the relevant Offering Supplement. Redemption requests received after such date will be processed on the next Dealing Day, provided that the Directors may accept, at their sole discretion, a shorter notice. See the part entitled 'Buying and Selling' for further details.

Accounting Currency

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

DIRECTORY

Manager

BOV Asset Management Limited
58, Zachary Street, Valletta,
VLT 1130, Malta
Tel. +356 21227311
Fax. +356 21234565

Administrator, Registrar and Transfer Agent

BOV Fund Services Limited
58, Zachary Street, Valletta,
VLT 1130 Malta Tel. +356 21227148
Fax. +356 21234565

Banker/Custodian

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

Legal Counsel

Camilleri Preziosi
Level 3, Valletta Buildings,
South Street
Valletta VLT 1103, Malta

Auditor

PricewaterhouseCoopers
78 Mill Street,
Qormi QRM3101, Malta

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Objectives and Policies

A detailed description of the investment objectives and policies of each Sub-Fund will be found in the relevant Offering Supplement.

Restrictions

The investment restrictions applying to each Sub-Fund under the MFSA Rules and Licence Conditions are set out below. These are, however, subject to the qualifications and certain exemptions contained in the MFSA Rules and in the Licence Conditions. Additional investment restrictions for particular Sub-Funds, if any, will be stated in the relevant Offering Supplement.

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

Part A - Permitted Investment Instruments

Subject to the limits for each type of permitted asset class as stated in Part B below, investments of a Sub-Fund shall be limited to:

A1. Transferable Securities and Money Market Instruments which are admitted to or dealt on an Approved Regulated Market;

A2. Recently Issued Transferable Securities;

A3. Units of other CISs which qualify as UCITS and are so authorised in terms of the UCITS Directive, provided that no more than 10% of the assets of the UCITS whose acquisition is contemplated, can, according to their prospectus or instruments of incorporation, be invested in aggregate in units of other UCITS or other CISs;

A4. Units of other CISs not authorised in terms of the UCITS Directive which, other than the requirement that they be harmonised in accordance with the UCITS Directive, otherwise satisfy the definition of a UCITS and the following additional requirements:

- i. such other CISs are authorised under laws which provide that CISs are subject to supervision considered by MFSA to be equivalent to that laid down in EU law, and that co-operation between authorities is sufficiently ensured;
- ii. the level of protection for unit-holders in such other CISs is equivalent to that provided for unit-holders 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 the UCITS Directive;

- iii. the business of the other CISs is reported in half yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
- iv. no more than 10% of the assets of the other CISs whose acquisition is contemplated, can, according to their prospectus or instruments of incorporation, be invested in aggregate in units of other UCITS or other CISs.

A5. Deposits with Approved Institutions, which are repayable on demand, or have the right to be withdrawn and maturing in no more than 12 months.

A6. FDIs, including equivalent cash-settled instruments dealt in on an Approved Regulated Market or OTC FDIs provided that:

- i. the underlying consists of instruments covered by this Part A, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objectives and stated in the relevant Offering Supplement;
- ii. the counterparty to the OTC FDI transaction is an Approved Counterparty, and
- iii. the OTC FDIs 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 Manager's initiative.

A7. Money Market Instruments not dealt on an Approved Regulated Market, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings and they are:

- i. issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- ii. issued by an undertaking, any securities of which, are dealt on an Approved Regulated Market; or
- iii. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the MFSA to be at least as stringent as those laid down by EU law.

- iv. issued by other bodies falling within the categories which the MFSA may from time to time prescribe, provided that investments in such instruments are subject to investor protection equivalent to that laid down in (i), (ii) or (iii) above and provided that the issuer:
- is a company whose capital and reserves amount to at least €10,000,000 and which presents and publishes its annual accounts in accordance with EU Directive 78/660/EEC;
 - is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group;
 - is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

Part B – Investment Limits

When investing in any one or more of the Permitted Investments stated in Part A above, a Sub-Fund shall observe the following limits:

Transferable Securities and Money Market Instruments

B1. A Sub-Fund may not invest more than 10% of its assets in Transferable Securities and Money Market Instruments other than those referred to in paragraphs A1, A2 and A7.

B2. A Sub-Fund may invest no more than 5% of its assets in Transferable Securities or Money Market Instruments issued by the same body.

B3. The limit referred to in paragraph B2 above may be increased to 10% provided that the total value of Transferable Securities and Money Market Instruments held in bodies in which the Sub-Fund invests more than 5%, is less than 40%.

B4. The limit of 5% (in B2) may be raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject, by law, to special public supervision designed to protect bondholders. Sums deriving from the issue of these bonds shall be invested, in conformity with the law, in assets which during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its assets in these bonds issued by one issuer, the total value of those investments in each of which it holds more than 5% of its assets may not exceed 80% of the value of the assets of the Sub-Fund.

B5. The limit of 5% (in B2) may be raised to 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by: (i) a Member State or its local authorities; or (ii) by a non-Member State; or (iii) public international body of which one or more Member States are members.

B6. The Transferable Securities and Money Market Instruments referred to in B4 and B5 shall not be taken into account for the purpose of applying the limit of 40% referred to in B3.

Deposits with Credit Institutions

B7. A Sub-Fund may not invest more than 20% of its assets in deposits made with the same Approved Institution.

Transactions in FDIs

B8. The Manager may, in respect of a Sub-Fund, enter into FDIs falling under A6 above for investment or for efficient portfolio management.

The risk exposure of a Sub-Fund to an Approved Counterparty in an OTC FDI may not exceed 5% of its assets. This limit is raised to 10% where the counterparty is an Approved Institution. The exposure per counterparty of an OTC FDI shall be measured on the basis of the maximum potential loss incurred by the Sub-Fund if the counterparty defaults.

The exposure to one counterparty in an OTC FDI may be reduced where the counterparty provides the Sub Fund with Approved Collateral. Furthermore, the Manager may, in respect of a Sub-Fund, net the mark-to-market value of its OTC FDI positions with the same counterparty, thus reducing the Sub-Fund's exposure to its counterparty, provided that the Manager has in respect of that Sub-Fund, a contractual netting agreement with its counterparty which creates a single legal obligation such that, in the event of the counterparty's failure to perform owing to default, bankruptcy, liquidation or any other similar circumstance, the Manager would have a claim to receive or an obligation to pay only the net sum of the positive and negative mark-to-market values of included individual FDIs.

FDIs which are transacted on an Approved Regulated Market where the clearinghouse meets the following conditions shall be deemed to be free of counterparty risk:

- i. is backed by an appropriate performance guarantee;
- ii. is characterised by a daily mark-to-market valuation of the derivative positions; and
- iii. is subject to at least daily margining.

Overall Single Issuer Exposure

B9. Notwithstanding the limits laid down in paragraphs B2, B7 and B8 above a Sub-Fund may not combine:

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

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

B10. The limits referred to in B2, B3, B4, B5, B7, B8 and B9 above may not be combined, so that exposure to a single body shall not exceed 35% of the assets of a Sub-Fund.

B11. Group Companies are regarded as a single issuer for the purposes of B2, B3, B4, B5, B6, B7, B8, B9 and B10. However, subject to approval by the MFSA, a limit of 20% of the assets of a Sub-Fund may be applied to investment in Transferable Securities and Money Market Instruments within the same group.

B12. Notwithstanding the limits stated above, a Sub-Fund may, subject to the prior approval of the MFSA and by applying the principle of risk spreading, invest up to 100% of its assets in different Transferable Securities and Money Market Instruments issued or guaranteed by:

- i. any Member State or its local authorities;
- ii. non-Member States; or
- iii. public international bodies of which one or more Member States are members,

provided that:

- i. the Manager is satisfied that Unit Holders have protection equivalent to that of shareholders in a CIS complying with the other limits laid down in this Prospectus;
- ii. the Manager holds, in respect of a Sub-Fund, securities from at least six different issues; and
- iii. the securities from any one issue shall not exceed 30% of the assets of the Sub-Fund.

Where a Sub-Fund proposes to invest in Transferable Securities and/or Money Market Instruments within the limits set in this paragraph, the relevant Offering Supplement shall:

- state the names of the States, local authorities or public international bodies issuing or guaranteeing securities in which it intends to invest more than 35% of its assets; and
- include a prominent statement drawing attention to such authorisation and indicating the States, local authorities and/ or public international bodies in the securities of which it intends to invest or has invested more than 35 per cent of its assets.

Investment in CISs

B13. A Sub-Fund may not invest more than 20% of its assets in any one CIS referred to in paragraphs A3 and A4 above.

Subject to MFSA approval, when a Sub-Fund has acquired CISs referred to in this paragraph B13, the assets of these CISs do not have to be combined for the purposes of the limits laid down in paragraphs B2 to B11.

B14. Investment in CISs referred to in paragraph A4 shall not, in aggregate, exceed 30% of the assets of a Sub-Fund.

B15. When a Sub-Fund invests in the units of other CISs that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, such entities may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares of such other CISs.

B16.1 Where a commission (including a rebated commission or other fees) is received by the Investment Manager by virtue of an investment in the shares of another CIS, this commission must be paid into the property of the Sub-Fund.

B16.2 Where a Sub-Fund invests a substantial proportion of its assets in other CISs, the Offering Supplement relating to that Sub-Fund shall disclose the maximum level of the management fees that may be charged both to the Sub-Fund and to the other CISs in which it intends to invest.

Investments to Track an Index

B17. Notwithstanding the limits stated above, a Sub-Fund may invest up to 20% of its assets in shares and/or debt securities issued by the same body where the investment policy of a Sub-Fund is to replicate an index. When the investment objective of a Sub-Fund is to replicate an index this will be stated in the related Offering Supplement.

The index is subject to MFSA approval and will be recognised by the MFSA on the basis of the criteria set out below:

- its composition is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
and
- it is published in an appropriate manner.

B18. The limit in paragraph B17 above may be raised to 35%, where, in the opinion of the Investment Manager and subject to the prior approval of the MFSA, this is justified by exceptional market conditions. The investment up to this limit is only permitted for a single issuer.

General Provisions

B19. The Investment Manager acting in connection with all of the CISs it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

B20. A Sub-Fund may acquire no more than:

- B20.1 10% of the non-voting shares of any single issuing body;
- B20.2 10% of the debt securities of any single issuing body;
- B20.3 25% of the units of any single CIS;
- B20.4 10% of the Money Market Instruments of any single issuing body.

The limits laid down in B20.2, B20.3 and B20.4 above may be disregarded at the time of acquisition, if at that time, the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

B21. Subject to MFSA approval, paragraphs B19 and B20 shall not be applicable to:

B21.1. Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;

B21.2. Transferable Securities and Money Market Instruments issued or guaranteed by a non- Member State;

B21.3. Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;

B21.4 Shares held by a Sub-Fund 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 offices in that non-Member State, where under the legislation of that non-Member State such a holding represents the only way in which the Sub-Fund can invest in the securities of issuing bodies of that non-Member State. This waiver is applicable only if in its investment policies, the company from the non-Member State complies with the limits laid down in B2 to B10, B13 to B16, B19 and B20 and provided that where these limits are exceeded paragraphs B22 and B23 below are observed;

B21.5 Shares held by a Sub-Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf.

B22. A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of their assets.

B23. Recently authorised Sub-Funds may derogate from the provisions of paragraphs B2 to B15, B16.2, B17 and B18 for six months following the date of their authorisation, provided each Sub-Fund observes the principle of risk spreading.

B24. A Sub-Fund may not carry out uncovered sales of:

- B24.1. Transferable Securities;
- B24.2. Money Market Instruments;
- B24.3. Shares of CIS; or
- B24.4. FDIs.

Financial Derivative Instruments (FDIs)

B25. Position exposure to the underlyings of FDIs when combined, where relevant, with positions resulting from direct investments, may not exceed the investment limits included in paragraphs B2 to B11.

B26. Subject to MFSA approval, the requirements of paragraph B25, shall not apply in the case of index based FDIs provided that the underlying index is one which meets with the criteria set out in paragraph B17.

Efficient Portfolio Management

B27. The Manager on behalf of a Sub-Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or FDIs for efficient portfolio management purposes. Provided that such transactions shall fulfil the following criteria:

B27.1 they are economically appropriate in that they are realised in a cost-effective way;

B27.2 they are entered into for one or more of the following specific aims:

- reduction of risk; or
- reduction of cost; or
- generation of additional capital or income for the Sub-Fund with a level of risk which is consistent with the risk profile of the sub-fund and the risk diversification rules laid down in paragraphs B2 to B11.

B27.3 their risks are adequately captured by the risk management process of the Investment Manager.

Borrowing and Lending Powers

B28. The Manager or the Custodian may not borrow on behalf of a Sub-Fund. However, by way of derogation to the foregoing, the Manager may borrow, for the account of a Sub-Fund, up to 10% of the value of assets of that Sub-Fund provided that such borrowing is on a temporary basis and that the Fund's overall risk exposure shall not exceed 210% of its Net Asset Value under any circumstances. The assets of such Sub-Fund may be charged as security for any such borrowings.

The Manager may, for the account of a Sub-Fund, acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the purposes of the 10% limit mentioned above, provided that the offsetting deposit: (a) is denominated in the Base Currency; and (b) equals or exceeds the value of the foreign currency loan outstanding.

The Manager may not borrow for investment purposes.

Without prejudice to the powers of the Manager to invest in Transferable Securities, the Manager may not lend cash, or act as guarantor on behalf of third parties.

Any special borrowing restrictions relating to a Sub-Fund may be formulated by the Manager at the time of the creation of a Sub-Fund. There are no special borrowing restrictions currently in operation.

Leverage

B29. A Sub-Fund's global exposure relating to FDIs shall not exceed the Net Asset Value of that Sub-Fund. The exposure is calculated taking into account:

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

The Manager shall use the commitment approach or a value at risk ("VaR") model in order to measure the global exposure and leverage of any Sub-Fund arising out of its FDI positions as set out in the relevant Offering Supplement.

Derogation for Newly Launched Sub-Funds

In order to permit an orderly allocation of new capital, each Sub-Fund is, in terms of the MFSA Rules, exempt from complying with the risk diversification rules laid down in paragraphs B2-B7, sub-paragraph 2 of B8, B9- B15, sub-paragraph 2 of B16 and B17 during the first six (6) months from its launch (the Closing Date). Where a newly launched Sub-Fund avails itself of this derogation it shall seek to observe the principle of risk spreading.

Breaches of Investment Restrictions

If the limits laid down above are exceeded for reasons beyond the control of the Investment Manager, or as a result of subscription rights, the Investment Manager shall take such steps as are necessary to ensure a restoration of compliance, in respect of that Sub-Fund, with such restriction(s) as soon as possible, taking due account of the interests of its Unit Holders, but in any event (unless otherwise authorised by the MFSA), within a period of six (6) months from the date when such excess was discovered.

Alterations to the Investment Objectives, Policies and Restrictions

Any changes to the investment objective of any Sub-Fund shall require the consent of Unit Holders to be obtained at a meeting summoned for this purpose in accordance with the procedure and voting thresholds set out in clause 20 of the Deed of Constitution and this Prospectus.

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

The Manager may however, with the approval of the Custodian, alter the investment policies and restrictions as may be applicable to the Fund or to a Sub-Fund, provided that: (i) any material alterations to the investment policies and restrictions as may apply to the Fund as a whole shall be notified to all Unit Holders; and (ii) any material alterations to the investment policies and restrictions as may apply to a Sub-Fund shall be notified to the Unit Holders holding Units in the particular Sub-Fund. Any changes to the investment policies, objectives or restrictions shall require an amendment to the Fund's Offering Supplement, which entails prior approval by the MFSA.

The strategies which are employed by each Sub-Fund are speculative and entail a number of risks. No assurance can be given that the Investment Objective of the Sub-Funds will be realized (See the section entitled "Risk Factors").

MANAGEMENT OF THE FUND

The Investment Manager

The Investment Manager (whose former name is Valletta Fund Management Limited) was incorporated in Malta on 6 June 1995 as a private limited liability company and has an authorised share capital of €1,250,000 and an issued share capital of €800,000. The Investment Manager was initially established as a joint venture between Bank of Valletta p.l.c. (holding 60% of its issued share capital) and Insight Investment Management Limited (holding 40% of its issued share capital) and is licensed by the MFSA to provide investment management services to UCITS Funds (Licence Number IS/18603). On 17 August 2016, Insight Investment Management Limited transferred its shareholding in the Investment Manager to Bank of Valletta p.l.c and the Investment Manager was converted into (and is currently constituted as) a single member private exempt limited liability company.

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

The Investment Manager is responsible for the investment and re-investment of the assets of each Sub-Fund in accordance with the investment objectives, strategies and restrictions of each Sub-Fund.

The Investment Manager may, subject to applicable MFSA Rules, delegate certain of its other functions and duties, including the day to day investment management of the assets of the Sub-Funds. In such cases, the Investment Manager will remain liable thereunder for any act or omission of its delegate as if the act or omission were its own.

Prospective investors should note that the Deed of Constitution contains provisions providing for the indemnification of the Manager in certain circumstances.

The fees payable to the Investment Manager are set out in the Section entitled 'Fees and Expenses'.

The directors of the Investment Manager are as follows:

Anatoli Grech
Mark Agius
Kenneth Farrugia
Mario Grima
Joseph Brincat

Custodian

Pursuant to a custody agreement entered into with Bank of Valletta p.l.c (the “**Custody Agreement**”), Bank of Valletta p.l.c. has been appointed as custodian of the assets of the Sub-Funds. Bank of Valletta p.l.c was incorporated in Malta as a limited liability company in 1974 and is licensed to carry on the business of banking as a credit institution in terms of the Banking Act (Cap. 371 of the Laws of Malta) and is a licensed custodian under the Act.

The Custodian has been appointed, in terms of the Custody Agreement, to provide safekeeping services in respect of all assets of the Sub-Funds. In this respect, the Custodian will hold in custody all financial instruments invested in by the Manager (on behalf of the Sub-Funds), and, in respect of other assets which cannot be held in custody, the Custodian will provide verification of ownership and record-keeping services.

The Custodian shall also: (a) ensure that the value of the Units is calculated in accordance with the applicable national law, the Deed of Constitution and this Prospectus; (b) ensure that the Sub-Funds’ cash flows are properly monitored (c) ensure that the sale, issue, re-purchase, redemption and cancellation of Units are carried out in accordance with the applicable national law, the Deed of Constitution and this Prospectus; (d) ensure that in transactions involving the Sub-Funds’ assets any consideration is remitted to the Sub-Funds within the usual time limits; (e) ensure that the income of the Sub-Funds is applied in accordance with the applicable national law, the Deed of Constitution and this Prospectus; (f) carry out the instructions of the Investment Manager, unless they conflict with the applicable national law or the Deed of Constitution or this Prospectus; and (g) be responsible for verifying the calculation of the performance fee (if any) in terms of the Investment Services Act (Performance Fees) Regulations (S.L.370.12), and ensuring that such performance fee (if any) is payable in accordance with the relevant provisions of the same regulations.

The Custody Agreement provides that the Custodian shall be liable to the Investment Manager (acting on behalf of the Fund and the Sub-Funds) and Unit Holders for the loss of financial instruments held in custody by the Custodian or a sub-custodian to whom the custody of Instruments held in custody has been delegated. The Custodian shall also be liable to the Manager (acting on behalf of the Fund and the Sub-Fund) and to the Unit Holders for all other losses suffered by them as a result of the Custodian’s negligent or intentional failure to properly fulfil its obligations pursuant to the relevant rules applicable to the Custodian. Save for the foregoing, and subject to the terms of the Custody Agreement, the Custodian shall not be liable to the Fund, the Sub-Fund and/or any Unit Holder, save for losses or prejudice arising from the gross negligence, wilful default or fraud on the part of the Custodian (and, in such instances, the Custodian shall only be so liable to the Sub-Fund and the Unit Holders, without however duplication of redress).

In terms of the Custody Agreement, the Custodian may delegate all or part of its services, functions and duties under the agreement to third parties, save for the cash flow monitoring and oversight functions (however, the Custodian’s liability shall not be affected by such delegation). In this respect, the Custodian has global custody network access by

means of a custody agreement entered into with RBC Investor Services Trust, London Branch, the UK branch of a trust company incorporated under the laws of Canada and authorised and regulated in Canada and authorised in the United Kingdom by the PRA and authorised and regulated by the PRA and FCA.

In terms of the Custody Agreement, the Custodian and the Investment Manager are entitled to terminate the agreement by giving 3 months' prior notice to the other in writing. The Custody Agreement may also be terminated forthwith upon the occurrence of specified events mentioned therein.

The Custodian will be entitled to receive a fee for its services and to be reimbursed for certain out-of-pocket expenses in connection with the performance of its functions under the Custody Agreement.

The Custody Agreement is regulated by the laws of Malta and any dispute arising out of or in relation to the Custody Agreement shall be settled by arbitration in accordance with the provisions of Part IV ("Domestic Arbitration") of the Arbitration Act (Chapter 387 of the Laws of Malta) and the Arbitration Rules made thereunder.

The Custodian is not responsible for the form and content of this Prospectus.

The fees payable to the Custodian are set out in the Section entitled 'Fees and Expenses'.

Administrator

BOV Fund Services Limited, formerly Valletta Fund Services Limited, has been appointed as fund administrator. BOV Fund Services Limited is a limited liability company, registered in Malta on the 27 September 2006 under Registration Number C39623, and having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta. The Administrator is recognised by the Malta Financial Services Authority to provide fund administration services.

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

Pursuant to the administration agreement, the Administrator is responsible, for the provision of certain administration services to the Manager in respect of the Sub-Funds including, amongst others: (i) the calculation of Net Asset Value; (ii) registrar and transfer agency services; (iii) compliance support services; (iv) anti money laundering support/reporting services; (v) assistance related to FATCA obligations; and services in relation the preparation and updating of KIDs.

The administration agreement may be terminated by the Investment Manager or the Administrator by not less than six (6) months' written notice or such other period as may be agreed in writing between the parties. The administration agreement may also be

terminated immediately by the Investment Manager or the Administrator in certain circumstances mentioned in the administration agreement. On termination, the Administrator shall be entitled to receive all fees and other monies accrued and due up to the date of such termination (subject to the Administrator having continued to perform its duties up to the date of termination in accordance with the administration agreement) and costs incurred in terminating the agreement unless the termination of the agreement was due to the following: (i) the administrator ceasing to be recognised as a fund administrator by the MFSA; (ii) a material breach of the agreement by the administrator (unless such breach is remedied within 30 days of receipt of notice served by the Investment Manager requesting the administrator to make good such breach); (iii) if the Administrator shall have failed to perform its functions under the Agreement to a material extent for a continuous period of one (1) month (or two months in the event that such failure is attributable to *force majeure*).

The administration agreement contains provisions indemnifying the Administrator against liabilities, damages, actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Administrator, by reason of the performance of its obligations or functions under the agreement not resulting from fraud, wilful default or negligence including unjustifiable failure of the Administrator or persons designated by it to perform (in whole or in part) their obligations under the agreement or the breach by the Administrator or persons designated by it of any applicable laws. Any such indemnification shall borne by the Sub-Fund to which it relates.

The administration agreement is regulated by the laws of Malta and any disputes arising out of or in relation to the agreement, including the validity, invalidity, breach or termination thereof, shall be finally settled by arbitration in accordance with the provisions of Part IV (“Domestic Arbitration”) of the Arbitration Act (Chapter 387 of the Laws of Malta) and the Arbitration Rules made thereunder, as in force on the date of commencement of the relevant dispute.

The fees payable to the Administrator are set out in the Section entitled “Fees and Expenses”.

Legal Advisors

Camilleri Preziosi Advocates are the legal advisors to the Manager in respect of the Fund. Camilleri Preziosi is a specialised practice focusing on domestic and international transactions in the field of corporate and commercial law and in the financial services sector.

Auditors

PricewaterhouseCoopers are the Auditors of the Manager in respect of the Fund. PricewaterhouseCoopers is one of the leading and largest professional services organisation in Malta, providing industry-focused assurance, tax and advisory services to

enhance value to clients.

Money Laundering Reporting Officer and Compliance Officer

The money laundering reporting officer is Ms Greta Farrugia, who is the appointed money laundering reporting officer of the Administrator, the entity providing administration services in respect of the Sub-Funds. The compliance officer of the Fund and the Sub-Funds is Mrs. Avalon J Abela.

RISK FACTORS

The discussion below is of a general nature and is intended to describe various risk factors which may be associated with an investment in the Sub-Funds. Prospective investors should also see the section of the relevant Offering Supplement entitled “Risk Factors” for any additional risks particular to the Units in that Sub-Fund. These risk factors are not intended to be exhaustive and investors should consult their own advisors before considering an investment in the Units in a particular Sub-Fund.

General

Investment in the Sub-Funds should be regarded as a long-term investment. There can be no guarantee that the investment objective of the Sub-Funds will be achieved. The Sub-Funds’ investments are subject to normal market fluctuations and the risks inherent in all investments and there are no assurances that capital appreciation will occur. The value of investments and the income deriving therefrom (if any) can, from time to time, go down as well as up and investors may not realise the amount of their initial investment. In particular, deduction of the initial charge and the exit fee (where applicable) means that if an investor withdraws from the investment in the short-term he may not get back the amount he invested.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of Units in the Sub-Funds. No assurance can be given as to the effect that any combination of risk factors may have on the value of Units in the Sub-Funds.

Insufficient Risk Recognition

An investment in the Units in a particular Sub-Fund involves risks. These risks may include or relate to, among others, equity market, bond market, foreign exchange, interest rate, credit, market volatility and political risks and any combination of these and other risks. Some of these risk factors are briefly discussed below.

Investors should understand the risks associated with an investment in the Units in a particular Sub-Fund and should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisors of (i) the suitability of an investment in the Units in the light of their own particular financial, fiscal and other circumstances, (ii) the information set out in this Prospectus, (iii) the risks associated with the use by the Sub-Fund of derivative techniques (if applicable), (iv) the nature of the Sub-Fund’s assets, and (v) information set out in the relevant Offering Supplement. Investors in the Units in a particular Sub-Fund should recognise that the Units may decline in value and should be prepared to sustain a substantial loss of their investment.

Suspension Risk

Investors are reminded that in certain circumstances their right to have their Units redeemed may be suspended.

Lack of Operating History

The Fund and the Sub-Funds are newly licenced and therefore do not have any established track record which could be utilised as a basis for evaluating the potential performance thereof.

Risks Relating to Fund of Funds

Where the Sub-Funds invest all or a portion their capital in units of other CISs, the performance of such Sub-Funds will be dependent on the performance of the funds selected for investment by the Manager and will depend on the Investment Manager's ability to effectively allocate and reallocate the Sub-Fund's assets amongst such funds. If the underlying funds in which the Sub-Funds invest register a negative performance, the value of the Units will be negatively affected.

Contractual Funds

The Fund has certain features which differentiate it from other types of CISs. For instance, the Fund does not have legal personality and Unit Holder meetings will not be held (unless requisitioned by Unit Holders holding not less than fifty percent of the Units in issue or unless determined by the Manager). Further, save as specified in this Prospectus, Units do not carry voting rights.

Investments on the Malta Stock Exchange

The Sub-Funds may at any one time invest a substantial portion of their capital in securities which are quoted on the Malta Stock Exchange. Despite the fact that such securities are listed, the market in such securities may be illiquid. The trading volumes on emerging stock exchanges such as the Malta Stock Exchange are substantially less than the world's leading stock markets. Accordingly the buying and selling of securities may need to be effected at unfavourable prices. Although it is not envisaged that this should create any difficulty in valuing the Fund's investments, reduced secondary market liquidity may have an adverse effect on the market price of such securities and the Manager's ability to dispose of particular securities to meet its liquidity requirements.

Interest Rates

Investors in the Units in a particular Sub-Fund should be aware that an investment in such Units might involve interest rate risk in that there may be fluctuations in the currency of denomination of the Sub-Fund's assets and/or the Units in that Sub-Fund.

Interest rates are determined by factors of supply and demand in the international money markets, which are influenced by macro economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long-term interest rates may affect the value of the Units in a particular Sub-Fund. Fluctuations in interest rates of the currency in which the Units in a particular Sub-Fund are denominated and/or fluctuations in interest rates of the currency or currencies in which the Sub-Fund's assets are denominated may affect the value of the Units in that Sub-Fund.

Hedging

The Manager, in respect of the Sub-Funds, may employ various techniques in respect of the Sub-Funds to attempt to reduce a portion of the risks inherent in their respective investment strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus substantial risk remains so that such techniques cannot always be implemented or effective in reducing losses. Hedging transactions, including the use of FDIs, which may be used by the Manager have risks associated with them, including possible default by the other party to the transaction, illiquidity and, to the extent that the view of the Manager as to certain market movements is incorrect, the risk that the use of hedging transactions could result in losses greater than if they had not been used.

Use of FDIs

While the prudent use of FDIs can be beneficial, FDIs also involve risks which are different from, and in certain cases, greater than, the risk presented by more traditional investments.

OTC FDIs, in particular, are typically structured derivative transactions. Structured derivative transactions are complex and may involve a high degree of loss.

The Manager will (on behalf of the Sub-Funds) only use FDIs (including OTC FDIs) for the purpose of efficient portfolio management and hedging purposes, and as such, FDIs will not be used for speculative purposes.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase volatility in the performance of the Sub-Funds.

The FDIs that the Manager may (on behalf of the Sub-Funds) transact in include, without limitation, forward foreign exchange contracts (including non-deliverable forwards), options (including foreign exchange options and exchange traded options on futures), futures, swaps (including, exchange rate swaps, interest rate swaps, inflation rate swaps and credit default swaps) and swaptions. Should the need arise, when transacting in

FDIs, the Manager may (on behalf of the Sub-Funds) be required to collateralize the Sub-Funds' assets, whether by way of outright collateral transfers or by way of security interests thereon, in order to secure the obligations undertaken.

FDIs are highly specialised instruments that require investment techniques and risk analyses different from those associated with equity and debt securities. There can be no guarantee or assurance that the use of FDIs will meet or assist in meeting the investment objectives of a Sub-Fund.

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

The prices of FDIs, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

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

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

Credit default swaps also carry specific risks, including the possibility that premiums are paid for credit default swaps which expire worthless, wide bid/offer spreads and documentation risks. In addition, there can be no assurance that the counterparty to a credit default swap will be able to fulfil its obligations to the Manager (in respect of the Sub-Funds) if a credit event occurs in respect of the reference entity. Further, the counterparty to a credit default swap may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in, or an alternative meaning of, language used in the contract, most notably the language specifying what would amount to a credit event.

European Markets Infrastructure Regulation

On 16 August, 2012, the European Market Infrastructure Regulation (“**EMIR**”) entered into force. EMIR introduces certain requirements in respect of derivative contracts, which will apply primarily to “financial counterparties” such as EU authorised investment firms, credit institutions, insurance companies, UCITS and alternative investment funds managed by EU authorised alternative investment fund managers, and “non-financial counterparties” which are entities established in the EU which are not financial counterparties. Broadly, EMIR’s requirements in respect of derivative contracts are (i) mandatory clearing of OTC derivative contracts declared subject to the clearing obligation; (ii) risk mitigation techniques in respect of uncleared OTC derivative contracts; and (iii) reporting and record-keeping requirements in respect of all derivative contracts.

The implementation of EMIR is achieved largely through secondary measures which are being phased in over time. Certain of EMIR’s requirements have applied since 15 March 2013 and additional requirements are coming into force subsequently thereafter and/or are yet to be finalised. The EU regulatory framework relating to derivatives is set not only by EMIR but also by the recently adopted (but yet to come in force) “recast” Markets in Financial Instruments Directive (“**MiFID II**”) and its implementing measures, which have not yet been finalised. In particular, MiFID II is expected to require transactions in derivatives to be traded on a regulated market and cleared. It is difficult to predict the full impact of these regulatory developments on the Sub-Funds. Prospective investors should be aware that the regulatory changes arising from EMIR and MiFID II may in due course significantly raise the costs of entering into derivative contracts and may adversely affect a Sub-Fund’s ability to engage in transactions in derivatives.

Exchange Rate Fluctuations

Currency fluctuations between the currency of denomination of a class of Units of a Sub-Fund and the investor's currency of reference and the currency of the underlying investments of a Sub-Fund, may adversely affect the value of investments and the income derived therefrom.

Market Volatility

Market volatility reflects the degree of instability and expected instability of the performance of the Sub-Fund’s assets. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments, which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro economic factors and speculation.

Liquidity Risk

Certain types of assets or securities may be difficult to buy or sell, particularly during adverse market conditions. This may affect the ability to obtain prices for the assets held

by a Sub-Fund and may therefore prevent the calculation of the Net Asset Value per Unit and/ or the raising of cash to meet redemptions of Units in the Sub-Fund concerned.

Specific Restrictions in Connection with the Subscription and Redemption of Units

Investors should note that there may be restrictions in connection with the subscription, holding and repurchase of and trading in the Units in a particular Sub-Fund. Such restrictions may have the effect of preventing the investor from freely subscribing, holding, trading and/or repurchasing the Unit. In addition to the features described below, such restrictions may also be caused by specific requirements such as the minimum amount that may be held or invested in any particular class of Units.

Additionally, the Manager will have the option to limit the number of Units in any Sub-Fund repurchased on any Dealing Day (other than at the specified maturity date, where applicable) to a stated percentage of the total Net Asset Value of that Sub-Fund on that Dealing Day and, in conjunction with such limitation, to *pro rata* limit the number of Units repurchased by any Unit Holder on such Dealing Day so that all Unit Holders wishing to have Units in that Sub-Fund repurchased on that Dealing Day realise the same proportion of such Units. In the event the Manager elects to limit the number of Units repurchased on such date, a Unit Holder may not be able to repurchase on such Dealing Day all the Units that it desires to repurchase.

Illiquidity of Units

There will be no secondary market for the Units, and consequently, Unit Holders can normally dispose of the Units only by means of redemption on a Dealing Day. There is no assurance that the Manager will be able to liquidate the portfolio securities attributable to the Units being redeemed without losses. These losses might have an adverse effect on the Net Asset Value of that Sub-Fund and thus on the redemption proceeds that will be received by the outgoing investor. In the event of unsettled market conditions, or if for any reason the Manager is unable to liquidate its investments or if it is obliged to suspend dealings in its Units, the Manager may be unable to redeem such Units.

Substantial Redemptions

Substantial redemption/repurchase of Units in a particular Sub-Fund could require the Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Units in that Sub-Fund. In these circumstances, the Manager may defer redemptions/repurchases. Illiquidity in certain markets could also make it difficult for any Sub-Fund to liquidate positions on favourable terms, thereby resulting in a decrease in the value of the assets. In these circumstances, the non-redeeming Unit Holders will bear a disproportionate risk of any decline in the value of a Sub-Fund's assets subsequent to the redemptions.

Temporary Suspension in Redemptions and Suspension in the determination of Net Asset Value

The Manager reserves the right to suspend the determination of the Net Asset Value of a Sub-Fund and the right of any Unit Holder to require redemption of any Units and the issue of Units. In such cases a Unit Holder may be unable to redeem his Units in a Sub-Fund within the normal timeframes described in this Prospectus.

Conflicts of Interest

Conflicts of interest may arise from time to time between the interests of the Manager, the Custodian and the Administrator in connection with fees, commissions and other revenues derived from the Fund, in particular, because certain Directors may also be acting as directors or senior officers of the Custodian and the Administrator. Prospective investors should also note that a conflict may arise as the Sub-Funds may invest in CISs which are managed by the Manager. In the event that such a conflict arises, the Directors will endeavour to ensure that it is resolved in a fair manner.

Prospective investors and Unit Holders are referred to the section headed 'conflicts of interest'.

Fee Arrangements

In instances, one or more Sub-Funds may invest predominantly in CISs managed by the Investment Manager (the "**Target CISs**"). As a result, the Investment Manager will receive any management fees charged to the Target CISs as well as service fees from the Sub-Funds (details of such fees are contained in the Offering Supplements of the Sub-Funds). Prospective investors should note that the payment of the foregoing fees to the Investment Manager will reduce the Net Asset Value per Unit.

Risk relating to Omnibus Accounts

Prospective investors should note that assets of the Sub-Funds may be co-mingled, in an omnibus account, with assets of other persons held at a sub-custodian (or any delegate of the sub-custodian (the "Sub-Delegate")) or any clearing system, settlement system, dematerialised book entry system, central securities depository or similar system (the "Securities System") with which the Custodian may, directly or indirectly, transfer, settle, clear, deposit or maintain assets of the Sub-Funds.

In the holding assets on a co-mingled basis at sub-Custodians, Sub-Delegates or through a Securities System, prospective investors should note that the Manager (on behalf of the Sub-Fund) may only be entitled, in common with those other persons, to its proportionate share of the assets so held in such omnibus account. Prospective investors should also note that omnibus accounts (where certain assets of the Sub-Funds are to be held) may have specific risks related to settlement cycles for certain assets which may operate both on an intra-day and inter-day basis, including the following: (i) the total amount of instruments recorded in such omnibus accounts may be unavailable at a given time during any intra-day or inter-day settlement cycle; (ii) a decrease in the total amount of instruments in such omnibus accounts may lead to potential shortfalls of instruments in

absolute terms; (iii) a shortfall of instruments in absolute terms in omnibus accounts means that the Sub-Fund's entitlement to such instruments may be reduced in order to facilitate the purchase, sale or exchange of instruments of other persons within the omnibus account until such time as subsequent settlement cycles reconcile such shortfall. Further, if there is a failure of the Custodian, a sub-custodian, Sub-Delegate or Securities System, during a period of any shortfall of instruments, the Manager (on behalf of the Sub-Funds) may only have a right to its proportion of the total amount of instruments in the relevant omnibus account.

Taxation

Investors in the Units in a particular Sub-Fund should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of the Sub-Funds, capital gains within the Sub-Funds, whether or not realised, income received or accrued or deemed received within the Sub-Fund etc., and this will be according to the laws and practices of the country where the Units are purchased, sold, held or redeemed and in the country of residence or nationality of the Unit Holder.

Investors should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-Fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in the Sub-Fund in relation to the Sub-Fund asset, whereas the performance of the Sub-Fund, and subsequently the return investors receive after redemption of the Units, might partially or fully depend on the performance of the underlying. This can have the effect that the investor has to pay taxes for income and/or performance which he does not, or does not fully, receive. Investors who are in any doubt as to their tax position should consult their own independent tax advisors. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

Foreign Account Tax Compliance Act Risks

FATCA imposes a new reporting regime and, potentially, a thirty per cent (30%) withholding tax with respect to: (i) certain payments from sources within the US; (ii) so-called 'foreign pass-thru payments' made to certain non-US financial institutions that do not comply with this new reporting regime; and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-US financial institution.

The Fund (or a Sub-Fund) may be classified as a non-US financial institution for these purposes.

In order to avoid being subject to US withholding tax, investors are likely to be required to provide information regarding themselves. In this regard, the Maltese and US

Governments have signed an intergovernmental agreement with respect to the implementation of FATCA. Although the Investment Manager will (on behalf of the Sub-Funds) attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Investment Manager (on behalf of the Sub-Funds) will be able to satisfy these obligations. If a Sub-Fund becomes subject to a withholding tax as a result of FATCA, the return of all Unit Holders may be materially affected. To the extent a Sub-Fund suffers US withholding tax on its investments as a result of FATCA, the Manager may (on behalf of a Sub-Fund) take any action in relation to an investor's investment in the Sub-Fund to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI (i.e., foreign financial institution) gave rise to the withholding.

The Manager may (on behalf of the Sub-Fund) mandatorily redeem the Units of any Unit Holders that fails to cooperate with the Manager's efforts to comply with FATCA.

Common Reporting Standard Risks

The Organisation for Economic Co-operation and Development (OECD) has developed a new global standard for the automatic exchange of financial information between tax authorities (the "Common Reporting Standard"), which is similar to FATCA (see risk factor above). Malta is a signatory jurisdiction to the Common Reporting Standard. The detailed requirements for complying with the Common Reporting Standard, when finalised, may impose additional burdens and costs on the Investment Manager (in respect of the Fund, the Sub-Funds and/or Unit Holders). Although the Investment Manager (in respect of the Fund or each Sub-Fund) will attempt to satisfy any obligations imposed upon it by the Common Reporting Standard, no assurance can be given that it will be able to satisfy such obligations. Implementation of the Common Reporting Standard may require the Manager (in respect of the Fund or each Sub-Fund) to conduct additional due diligence and report upon accounts held with it by Unit Holders who are reportable persons in other participating jurisdictions. The Manager (in respect of the Fund or each Sub-Fund) may require certain additional financial information from Unit Holders and financial intermediaries acting on behalf of Unit Holders to comply with its diligence and reporting obligations under the Common Reporting Standard.

If the Manager (in respect of the Fund or each Sub-Fund) is unable to obtain the necessary information from Unit Holders, it may take any steps necessary to avoid resulting sanctions, which may include (but are not limited to) compulsorily redeeming the Units of the relevant Unit Holder.

Change of Law

The Manager must comply with regulatory constraints, such as a change in the laws affecting the investment restrictions of one or more Sub-Funds, which might require a change in the investment policy and objectives followed by a Sub-Fund.

Political and Regulatory Risk

The performance of the Units in a particular Sub-Fund or the possibility to purchase, sell, or repurchase may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, laws or regulations (including regarding taxation), the imposition of restrictions on the transfer of capital and changes in regulatory requirements in Malta or in countries where a Sub-Fund is invested. The legal infrastructure, accounting, auditing and reporting standards in certain jurisdictions in which the capital of a Sub-Fund may be invested may not offer the same degree of investor protection or information as is normally expected in major securities markets.

Importance of the Investment Manager

The Fund's success depends, to a large extent, upon the Investment Manager's ability to determine appropriate investments. In addition, if any of the officers of the Investment Manager cease to participate in the operation of the Investment Manager to the extent they relate to the operations of the Fund, the objectives, activities and performance of one or more classes of Units may be adversely affected.

Borrowing Risks

The Manager in respect of a Sub-Fund may not be able to repay borrowings or may be forced to sell investments at a disadvantageous time in order to repay borrowings. The Manager in respect of a Sub-Fund might elect to sell its more liquid assets to repay borrowings, or to meet redemptions, thus increasing its concentration in less liquid securities.

SFDR – Legal Risk

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

ESG Data Reliance

The scope of SFDR is extremely broad, covering a very wide range of financial advisors and financial market participants with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect financial products. It seeks to achieve more transparency regarding how financial market participants integrate sustainability risks into their investment decisions and consideration of adverse sustainability impacts in the investment process. Data constraint is one of the biggest challenges when it comes to sustainability related information to end-investors, especially in the case of principal adverse impacts of investment decisions, and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability.

ESG Investing

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

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

As at the date of this Offering Memorandum and on the basis of the latest sustainability risk assessment, the Manager currently does not apply any ESG criteria for the Company or any of its Sub-Funds. As a result, the Company does not apply negative screening to exclude specific sectors or companies based on ESG criteria.

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

It should also be noted that the Taxonomy Regulation provides a common taxonomy for identifying economic activities as "environmentally sustainable" (within the meaning of the Taxonomy Regulation) within the European Economic Area. However, the scope of the Taxonomy Regulation is limited to six environmental objectives (and so does not cover the entire universe of ESG objectives) and is not currently expected to be used universally, outside of the European Economic Area. For the purposes of the Taxonomy

Regulation, it should be noted that the investments underlying the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

CONFLICTS OF INTEREST

The Manager, the Directors, the Custodian and the Administrator (the “**Interested Parties**”) are or may be involved in other financial broking, investment or other professional activities which, in the course of their business, will, on occasion give rise to conflicts of interest in respect of the Fund. A conflict of interest may also arise as the Sub-Funds may invest in CISs which are managed by the Manager.

In particular, prospective investors should be aware that:

- (a) The Interested Parties carry out functions for other CISs engaging in activities which are similar to that of the Fund and the Sub-Funds;
- (b) the Investment Manager may make investments for other clients without making the same available to the Sub-Funds where, having regard to its obligations, the Investment Manager considers, so far as reasonably practicable having regard to its obligations to such other clients, that it is acting in the best interests of Unit Holders;
- (c) Conflicts of interest may arise from between the interests of the Manager, the Custodian and the Administrator in connection with fees, commissions and other revenues derived from the Fund, in particular, because certain Directors may also be acting as directors or senior officers of the Custodian and the Administrator (in this regard, please be referred to point (d) below).
- (d) As at the date of this Prospectus:
 - (i) Mr. Kenneth Farrugia, besides being a director of the Manager is also the Chairman of the board of directors of the Administrator and is is Chief Executive Officer of Bank of Valletta plc. He is also a director on the board of directors of Vilhena Funds SICAV plc; the latter being a UCITS fund which is managed by the Manager and in which the Sub-Funds may invest;
 - (ii) Mr. Anatoli Grech is also part of the management board of the custodian.
 - (iii) Mr. Mark Agius is responsible for the day to day operations of the Manager.

Should a conflict of interest actually arise, the Manager will endeavour to ensure that it is resolved fairly.

FEES AND EXPENSES

Service Fee

Each Sub-Fund may be bound to pay a service Fee. Please refer to the relevant Offering Supplement for further details in respect of the fees applicable to that Sub-Fund. Different fees may be applied to different Sub-Funds and to different classes of Units in any Sub-Fund.

The Investment Manager will be entitled to recover from the Fund all properly incurred and approved out-of pocket expenses.

Charges and Expenses when investing in CISs

If the Manager, on behalf of a Sub-Fund, invests in the units of other CISs managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company shall not charge subscription or repurchase fees on account of the investment by the units of such other CISs.

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

Remuneration of the Custodian

The Custodian will receive, for safe keeping of the assets of each Sub-Fund and other services, a custody fee at varying rates based on the value of the assets of each Sub-Fund, in accordance with the details set out in the relevant Offering Supplement.

Audit and Legal Fees

Legal Fees shall be agreed between the Manager and the legal advisors and will be paid on a time-spent basis. Audit and review fees will be charged by the auditors as per

agreement with the Manager. Audit and legal fees will be paid out of the assets of the Sub-Funds.

Other Expenses

Each Sub-Fund shall also bear the following expenses (save to the extent that such expenses may be waived or otherwise discharged by the person to whom they are due and are not otherwise recovered by the Sub-Fund):

- i. All expenses which may be incurred in connection with the acquisition and disposal of assets by the Manager in respect of the Sub-Fund;
- ii. All brokerage, bank and other charges incurred by the Manager in relation to business transactions of the Sub-Fund (including charges in relation to any borrowing);
- iii. All fees and expenses due to the Auditors, the Custodian, the Manager, the Administrator, the compliance officer, the money laundering reporting officer, the legal advisers and any valuer, dealer or distributor in respect of services rendered for the benefit of the Sub-Fund;
- iv. All expenses incurred in connection with the publication and supply of information of the Sub-Fund to Unit Holders and to the MFSA.
- v. All expenses which may be incurred in having the Units of the Sub-Fund listed or dealt in on any regulated market.
- vi. All expenses arising in respect of legal or administrative proceedings in respect of the Sub-Fund;
- vii. All expenses incurred in connection with the operation and management of the Sub-Fund, including, without limitation, costs of administration, costs for convening Unit Holder meetings, costs incurred in keeping the Register and all non-recurring and extraordinary items of expenditure, as may arise from time to time.

Where costs and expenses relate to matters common to more than one Sub-Fund, these will be apportioned in such manner and on such basis as the Manager, in consultation with the Custodian, deems to be reasonable.

Organisation Costs

The preliminary expenses of the Fund and the Licensed Sub-Funds (including, without limitation, licensing fees, legal and printing costs, and the costs incurred in connection with the preparation and execution of the offering documents, KIDs and material contracts) will be borne equally by the said Licensed Sub-Funds and the amount so payable may be amortised in such manner and over such period as the Manager may determine. Costs for setting up further Sub-Fund/s will be borne by the relevant Sub-Fund/s.

Expenses in relation to Efficient Portfolio Management Techniques

When engaging in efficient portfolio management techniques, certain fees may be incurred (which would reduce the revenue of the Sub-Funds). These fees would depend

on a number of factors, such as the type of derivative contract entered into and market liquidity. Such fees may be paid to the Custodian when the Manager engages in FDIs (on behalf of the Sub-Funds) with the Custodian as counterparty.

BUYING AND SELLING

General

Each Sub-Fund can be constituted by multiple classes of Units. Each class represents an interest in the Sub-Fund's portfolio, but may have its own characteristics, such as fee structure, Minimum Investment, Minimum Holding, income distribution policy or Base Currency.

Subscription Procedures

Subscriptions in the Sub-Funds may be made by means of lump sum investments and/or if permitted by the relevant Offering Supplement through monthly investment plans and/or quarterly investment plans.

Units will, in respect of applications received during the Initial Offering Period, be allotted at the Initial Offer Price after the lapse of the Initial Offering Period and subsequently on the relevant Dealing Day designated in the Offering Supplement at the Net Asset Value per Unit.

Investors can purchase Units by submitting an Application Form (together with all supporting documentation requested therein) to the Manager at the offices of the Administrator within the applicable cut-off time specified in the relevant Offering Supplement. The Manager may reject an Application Form for any reason and is not obliged to disclose the reason, or reasons, for so rejecting such Application Form. The Application Form, if accepted by the Manager will constitute a legally binding contract.

The Manager shall not be bound to register more than four persons as the joint holders of any Unit.

No Units in a Sub-Fund shall be issued on any Dealing Day on which the determination of the Net Asset Value of such Sub-Fund is suspended.

The Manager shall be entitled to issue Units in fractions of not less than 3 decimal places and not more than 4 decimal places.

Cut Off time for Receipt of Applications

The cut off time for receipt of applications for the purchase of Units of each Sub-Fund (in respect of both lump sum investments and/or investments under the monthly investment plan and/or investments under the quarterly investment plan, if applicable) shall be specified in the relevant Offering Supplement.

Subscription Monies

Applications are to be accompanied by payment by means of bank transfer or by means of direct debit. Payments for investments shall be made in the Base Currency (or in any other currency, in which case this will be converted to the Base Currency in question at the prevailing exchange rate). Any applicable bank charges for conversion into the Base Currency as aforesaid will be borne by the investor/s.

Units will only be issued to successful Subscribers upon receipt of cleared payments by the Custodian (as Banker) within such notice period as may be set out in the relevant Supplement.

Registration

A Unit Holder shall have his title to Units evidenced by means of an entry made in Register. Persons who become Unit Holders will acquire an undivided ownership right to the assets of the Sub-Fund in which they invested (and the income that is derived from such assets) in proportion to the number of Units held thereby.

General

Subscribers should take notice that by completing and executing the Application Form, the Subscriber is entering into a number of undertakings and giving a number of warranties as specifically set out in the Application Form. Each investor must represent and warrant to the Manager that amongst other things, he/she is able to buy Units without violating applicable laws.

The Manager reserves the right to seek evidence of identity to comply with any applicable prevention of money laundering laws and regulations. In the case of failure, the Manager may take such action as it thinks fit.

Contract Notes

Within 24 hours from the Dealing Day on which the purchase of Units is effected, the Administrator will issue a contract note to the Unit Holder (signed by any person vested with legal representation of the Manager and by a person vested with legal representation of the Custodian). Where circumstances prevent the issuance of contract note within such period as aforesaid, the Administrator will endeavor to issue the contract note as soon as possible thereafter. In the case of subscriptions via the monthly investment plan and subscriptions via the quarterly investment plan, contract notes (signed by any person vested with legal representation of the Investment Manager and by a person vested with legal representation of the Custodian) will be sent every 6 months, as at 30 April and 31 October giving full details of the transactions made during the previous six month period together with a valuation of such holdings as at these dates.

In the case of Units subscribed jointly by several persons, the Administrator shall only deliver a contract note to the first named of the several joint holders.

Subscriptions in Specie

The Manager shall, at its option, be entitled to receive assets from a prospective Unit Holder for the issue of Units in accordance with the provisions of the Deed of Constitution.

In such circumstances, before the Units are issued, the Manager shall, with the Agreement of the Custodian, appoint an expert valuer to draw up a valuer's report which shall include: (i) a description of each of the assets comprising the consideration; (ii) the value of each asset and a description of the method of valuation used; and (iii) a confirmation that the value of the consideration is at least equal to the Net Asset Value of the Unit to be issued in return for such consideration

Valuation reports drawn up by the expert valuer shall be held at the registered office of the Manager and shall be available for inspection by officials of the MFSA during compliance visits.

The Manager shall only issue Units in the relevant Sub-Fund once the assets in question have been vested in the Custodian (to the Custodian's satisfaction).

The costs of any valuation of assets submitted as subscription *in specie* are to be borne by the relevant Subscriber.

Transfer of Units

Transfers of Units may be effected by a transfer in writing in any usual or common form and every form of transfer shall state: (a) the full name and address of the transferor and transferee; (b) the number of Units to be transferred; and (c) such other information as the Manager may require, including, information necessary to satisfy the Manager that the proposed transfer complies with applicable laws and appropriate identification documentation is provided as required by the Manager and/or the Administrator to comply with applicable anti-money laundering regimes. The proposed transferee must, in the instrument of transfer, agree to take such Units subject to the same conditions and restrictions pursuant to which the Units were held by the transferor.

The Manager may refuse to register a transfer of Units unless the instrument of transfer or an authentic copy thereof is deposited at the registered office of the Manager or at such other place as the Manager may reasonably require, with such other evidence as the Manager may reasonably require to show the right of the transferor to make the transfer.

No Units may be transferred without written notice to and the prior written consent of the Manager, which consent may be withheld at the sole and absolute discretion of the Manager. If the Manager declines to register a transfer of any Unit it shall, within one month after the date on which the transfer was lodged with the Manager, send to the transferee, notice of the refusal.

Transfers of Units shall be deemed effective on the next Dealing Day following the date on which the Manager has given its written consent for the transfer.

Should it appear to the Manager and/or the Administrator that the effect of a transfer will result, in the transferor or the transferee holding less than the Minimum Holding required in the relative Offering Supplement after the transfer, the Manager and/or the Administrator shall immediately inform the transferee that the request for registration of a transfer has been suspended until the request is amended to result in observance of the Minimum Holding of Units after the transfer of Units, by both the transferor and transferee.

Redemption Procedures

A Unit Holder may, at any time, cause any or all of his Units to be redeemed by the Administrator on a Dealing Day at the Redemption Price. Redemption instructions may be made on a Redemption Form (or in any other written form acceptable to the Manager) which must be delivered to the Manager at the office of the Administrator within the applicable cut-off time. Certain restrictions in relation to redemptions in a Sub-Fund may apply as set out in the relevant Offering Supplement.

Cut off Time for the Receipt of Redemption Instructions

The cut off time for the receipt of redemption instructions of each Sub-Fund will be specified in the relevant Offering Supplement. Redemption requests received after such date will be processed on the next Dealing Day, provided that the Directors may accept, at their sole discretion, a shorter notice.

Payment of Redemption Proceeds

Unless otherwise provided in the Offering Supplement of any Sub-Fund, the Redemption Price will be paid in the Base Currency within fourteen (14) Business Days from the relevant Dealing Day. Payment will be made by banker's draft or by bank transfer to an account held in the name of the registered holder as duly instructed in the redemption instructions. The Manager, the Custodian or the Administrator shall not be responsible for a delay in transmission except in the event of fraud or willful default on behalf thereof. Any charges incurred in effecting payments by banker's draft shall be borne by Unit Holders.

In the case of a Unit held jointly by two or more persons, the Manager shall cause the redemption payment to be made by bank transfer to the account held in the name of any one or more joint holders as duly instructed in the redemption instructions. Payment of the redemption proceeds as aforesaid shall be deemed as having been effected to all joint holders.

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

Contract Notes

Contract notes containing full details of the redemption will be dispatched to the redeeming Unit Holder within 24 hours from the Dealing Day on which the order to redeem Units is effected. Such contract note will be signed by a legal representative of the Manager and the Custodian. Where circumstances prevent the Administrator from issuing the contract note within such 24 hour period as aforesaid, the Administrator will endeavor to issue the contract note as soon as possible thereafter.

Redemption in Specie

At the discretion of the Manager and with the approval of the applicant and of the Custodian, the Manager may satisfy any application for repurchase of Units by the transfer to that Unit Holder of assets of the relevant Sub-Fund in specie, PROVIDED THAT the Manager shall transfer to each Unit Holder that proportion of the assets of the Sub-Fund which is then equivalent in value to the Units held in the Sub-Fund by the Unit Holder then requesting the repurchase of Units, but adjusted as the Manager may determine to reflect the liabilities of the Sub-Fund PROVIDED FURTHER THAT the nature of the assets and the type of the assets to be transferred to each Unit Holder be determined by the Manager on such basis as the Manager (with the consent of the Custodian) shall deem equitable and not prejudicial to the interests of the remaining Unit Holders, and for the foregoing purposes the value of assets shall be determined on the same basis as used in calculating the Net Asset Value as set out in Appendix 2.

In the event that an expert valuer is appointed to value unquoted or unlisted securities to be transferred *in specie* (which appointment shall be required in the instance prescribed in paragraph B(ii) of Appendix 2), the valuation report drawn up by the expert valuer (for the purpose of valuing such unquoted or unlisted instruments as aforesaid) shall be held at the registered office of the Manager and shall be available for inspection by officials of the MFSA during compliance visits. The costs of any valuation of assets to be transferred pursuant to a redemption *in specie* are to be borne by the relevant Unit Holder to whom the assets are transferred.

Deferral of Redemptions

If the Manager receives requests for the repurchase of Units in respect of ten per cent or more of the outstanding Units in any Sub-Fund on any Dealing Day, the Manager, with the approval of the Custodian, may elect to restrict the total number of Units repurchased to ten per cent of the outstanding Units in such Sub-Fund, in which case all the relevant requests will be scaled down *pro rata* to the number of Units requested to be repurchased. The balance of such Units will be redeemed on the next Dealing Day, subject to the right of the Manager's same power of deferral until the original redemption instructions have been satisfied. Unit Holders may not revoke or withdraw redemption instructions delivered to the Manager, even if the Manager elects to exercise its power of deferral.

Temporary Suspension of Redemption of Units

The Manager may, with the approval of the Custodian, temporarily suspend the determination of the Net Asset Value of any class of Units and the sale and repurchase of such Units, in the following instances:

- i. during any period (other than holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Investments comprised in the Sub-Fund to which such class of Units relate, or in which trading thereon is restricted or suspended; or
- ii. during any period when an emergency exists as a result of which disposal by the Sub-Fund of Investments which constitute a substantial portion of the assets of the Sub-Fund to which such class of Units relates is not practically feasible; or
- iii. during any period when for any reason the prices of Investments comprised in the Sub-Fund to which such class of Units relate cannot be reasonably, promptly or accurately ascertained; or
- iv. during any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, Investments comprised in the Sub-Fund to which such class of Units relates cannot, in the opinion of the Manager, be carried out at normal rates of exchange; or
- v. during any period when the proceeds of sale or repurchase of such Units in the Sub-Fund cannot be transmitted to or from the account maintained in the name of the Sub-Fund; or
- vi. during any other period as may be specified in the relevant Offering Supplement.

The Manager may elect to treat the first Business Day on which the conditions giving rise to the suspension have ceased as a substitute Dealing Day in which case the Net Asset Value calculations and all sales and repurchases of Units shall be effected on the substitute Dealing Day. Any such suspension shall be appropriately published by the Manager in a local newspaper approved by the Custodian and shall be notified immediately to the Unit Holders, the MFSA and the Malta Stock Exchange, if applicable

Unit Holders will be promptly notified upon the termination of such suspension.

Mandatory Redemption:

The Manager, in agreement with the Custodian, may require the compulsory redemption of all Units held by a Unit Holder in the following circumstances:

- a) in circumstances where the Fund, the Sub-Fund or any Unit Holder may suffer a tax, pecuniary, administrative or other disadvantage; or
- b) where Units are or may be held by a U.S. Person without the consent of the Manager, or otherwise in breach of any laws or regulations; or

- c) in the circumstances mentioned under the heading 'Total Repurchase' in the section of this Prospectus headed 'General Information'; or
- d) in the event that a Unit Holder investor that fails to cooperate with the Manager's efforts to comply with FATCA.

Such compulsory redemptions will take place at the prevailing Net Asset Value on the Dealing Day that such redemption takes place.

Despite what is stated above, Unit Holders of Units in the BOV Capital Guaranteed Fund 2027 acknowledge and accept that this Sub-Fund has a maturity date (as set out in the Offering Supplement) and that any Units held in the Sub-Fund as at that date shall be mandatorily redeemed in terms of the final redemption procedure set out in the Offering Supplement.

Switching

Subject to the restrictions provided in the relevant Offering Supplement, a Unit Holder may exchange (switch) all or part of his Units (the "**Original Units**") into Units in other designated Sub-Fund/s (the "**New Units**") as laid out specifically in the relevant Offering Supplement. Switching of Units is also available between classes of Units in a particular Sub-Fund, if applicable. Such switching may be exercisable by Unit Holders by means of a switching notice which shall be irrevocable and shall be filed by the Unit Holder in written or electronic form at the office of the Administrator within the period specified in the relevant Offering Supplement.

An irrevocable request to exchange Units shall be construed as being a request for the repurchase of the stated number of Original Units (save that the repurchase monies shall not be released to the investor) and a simultaneous request for the proceeds from such repurchase to be applied in the purchase of New Units as may be indicated. The switching of Units shall take place on a common Dealing Day at the last issued Net Asset Value.

The number of New Units to be issued in exchange shall be determined in accordance (or as nearly as may be in accordance) with the following formula:

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

NS = the number of New Units which will be issued;

A = the number of Original Units to be switched;

B = the redemption price of such Original Units on the relevant Dealing Day;

C = the rate of exchange determined for switching the Base Currency of the Original Units into the Base Currency of the New Units, if applicable; and

D = the issue price of the New Units on the relevant Dealing Day (including any commissions payable)

REMUNERATION POLICY

The Investment Manager's remuneration policy sets out the basis upon which the relevant identified staff thereof ("**Identified Staff**") are remunerated. In terms of such policy, Identified Staff are entitled to a fixed base salary, and a yearly annual performance bonus. The quantum of such performance bonus is assessed against the backdrop of the individual performance of Identified Staff (including the successful completion of individual tasks assigned thereto) and their contribution to the performance of the Investment Manager. The base salary of the Identified Staff represents a very significant portion of the total remuneration package of Identified Staff.

Responsibility for the amount of remuneration awarded to Identified Staff vests in the Board.

Details of the up-to-date remuneration policy of the Investment Manager, including, amongst others, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits are available on the Investment Manager's website on www.bovassetmanagement.com and paper copies will be made available to investors free of charge upon request.

NET ASSET VALUE

Allocation of Assets and Liabilities

The assets and liabilities of each Sub-Fund shall be allocated, in the following manner:

- i. the proceeds from the issue of Units representing a Sub-Fund shall be applied in the books of that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund;
- ii. where any asset is derived from another asset, such derivative asset shall be applied in the books of the same Sub-Fund as the asset from which it was derived and on each revaluation of such asset, the increase or diminution in value shall be applied to the relevant Sub-Fund;
- iii. where the Manager incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such a liability shall be allocated to the relevant Sub-Fund;
- iv. where an asset or a liability cannot be considered as being attributable to a particular Sub-Fund, the Manager, with the approval of the Custodian, shall determine the appropriate allocation.

Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund shall be determined by calculating the net difference between the value of its assets and liabilities calculated on the basis of the provisions of the Deed of Constitution as outlined in Appendix 2.

Net Asset Value per Unit

Where a Sub-Fund is constituted by one class of Units, its Net Asset Value per Unit shall be determined by calculating the Net Asset Value divided by the number of Units outstanding. Where a Sub-Fund is constituted by more than one class of Units, the Net Asset Value per Unit (of each class of Units in that Sub-Fund) shall be determined by calculating the Net Asset Value attributable to that Class of Units divided by the number of Units outstanding in that Class. The Net Asset Value and the Net Asset Value per Unit shall be expressed in the Base Currency (or in such other currency as the Manager, with the consent of the Custodian, shall determine) as a per Unit figure for each class of Units in issue and rounding down to at least the fourth significant figure of the relevant Base Currency.

The Net Asset Value per Unit for each class of Units will appear on the Investment Manager's website on www.bovassetmanagement.com and may also, at the sole discretion of the Investment Manager, be published on one or more newspapers at such frequency as the Directors may from time to time determine.

GENERAL INFORMATION

The Deed of Constitution

The Fund was established by means of the Deed of Constitution. All Unit Holders are entitled to the benefit of, are bound by the provisions of the Deed of Constitution, a copy of which may be inspected during normal business hours at the registered office of the Manager free of charge.

The Units

Each Unit represents an undivided ownership right to the assets of the Sub-Fund in which the Unit Holder is invested. Units are not shares but serve to determine the proportion of the underlying assets of the Sub-Fund to which each Unit Holder is beneficially entitled to. Units do not carry any right to vote save as specified in this Prospectus.

Annual and Half Yearly Reports

Audited annual reports and financial statements shall be published and submitted to the MFSA within four months following the end of the accounting year and unaudited interim reports and financial statements shall be published and submitted to the MFSA within two months following the period to which they refer. The Fund's accounting year ends on 30 April of each year

Copies of the said annual and half yearly reports will be provided to Unit Holders free of charge upon request. In the event that such request is made, such report/s will be sent by electronic mail to the address indicated for this purpose by the Unit Holder in his/her Application Form (or in such other manner as may be agreed from time to time with the Unit Holders).

Meetings of Unit Holders

The Manager may, in its sole discretion, call meetings of Unit Holders or Unit Holders of a particular Sub-Fund (the "**Interested Unit Holders**") for the purposes of discussing certain issues therewith. The Manager may call such meeting by giving notice to all Unit Holders or Interested Unit Holders (as the case may be) listed on the Register at a date being not more than ten (10) days preceding the date scheduled for the meeting, by giving not less than five (5) days' notice. Such notice will be given by electronic mail in the email address indicated by the Unit Holder in his/her Application Form or by mail (or in such other manner as may from time to time be agreed with the Unit Holder).

A meeting of Unit Holders or Interested Unit Holders (as the case may be) shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, a quorum shall be constituted by at

least two (2) Unit Holders or Interested Unit Holders (as the case may be) representing not less than:

- a. 51% of the value of all Units then outstanding, in the case of a meeting of all Unit Holders; or
- b. 51% of the value of Units in a particular Sub-Fund held by the Interested Unit Holders, in the case of a meeting of Interested Unit Holders.

If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Manager to the Unit Holders or Interested Unit Holders (as the case may be) which are present at that meeting. The Manager shall within three (3) days from the date of the original meeting communicate by way of electronic mail or otherwise to Unit Holders or Interested Unit Holders (as the case may be) the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting, the number of Unit Holders or Interested Unit Holders present shall constitute a quorum and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Unit Holders holding not less than fifty percent of the Units in issue may request the Manager to convene a meeting to discuss certain issues therewith. In such case, the Manager will give notice to the Unit Holders in the manner described in the preceding paragraphs of this section of the Prospectus headed 'Meetings of Unit Holders' and the terms thereof shall apply *mutatis mutandis*.

Save as specified hereunder, Units do not carry voting rights. Accordingly, all decisions on matters discussed at a meeting of Unit Holders shall be taken by the Investment Manager and where expressly stated in the Deed of Constitution and/or this Prospectus, in agreement with the Custodian.

Unit Holders will have the right to vote:

- (i) At a meeting of Interested Unit Holders summoned for the purposes of considering a proposed change to the investment objective of a Sub-Fund in which such Interested Unit Holders are invested; and
- (ii) in respect of any other matter specified in the Deed of Constitution or in the Prospectus which confers voting rights upon Unit Holders

and in such cases, the proposal placed before a meeting of Unit Holders or Interested Unit Holders (as the case may be) shall only be considered approved if it is consented to by Unit Holders or Interested Unit Holders (as the case may be) holding not less than 75% of the value of Units represented at the meeting and at least: (a) 51% of the value of all Units then outstanding, in the case of a meeting of all Unit Holders; or (b) 51% of the value of Units then outstanding in a particular Sub-Fund, in the case of a meeting of

Interested Unit Holders PROVIDED THAT if any of the aforesaid majorities are not obtained, another meeting shall be held at the place, date and time as shall be communicated by the Manager by way of electronic mail or otherwise to Unit Holders or Interested Unit Holders (as the case may be). At that meeting, which shall be held not earlier than seven (7) days, but not later than fifteen (15) days following the previous meeting, the number of Unit Holders or Interested Unit Holders present (as the case may be) shall constitute a quorum and the proposal placed before the meeting of Unit Holders or Interested Unit Holders (as the case may be) shall be considered approved if it is consented to by Unit Holders or Interested Unit Holders (as the case may be) holding at least 51% of the value of Units represented at the meeting.

For the purposes this section headed 'Meeting of Unit Holders', the reference to the value of Units outstanding or represented at the meeting (as applicable) shall be calculated by reference to the value of such Units as calculated on the Dealing Day preceding the day on which the meeting was held.

Total Repurchase

If at any time the Net Asset Value of all Units in issue falls below €5,000,000 (or its equivalent), the Manager may, with the consent of the Custodian and by not less than 30 days' notice to Unit Holders, repurchase all Units in the Sub-Funds, not previously repurchased. The same power shall apply in relation to a Sub-Fund in the event that the Net Asset Value of all Units constituting a Sub-Fund falls below €2,500,000 (or its equivalent).

Cessation of Duties by the Manager and the Custodian

The Duties of the Manager and/or of the Custodian (as applicable) in respect of the Fund and the Sub-Funds shall cease:

- a) Upon the voluntary withdrawal of the Manager, provided that the MFSA has approved such withdrawal; or
- b) Upon the voluntary withdrawal of the Custodian or upon its removal by the Manager in terms of the Custody Agreement, provided that the MFSA has approved such withdrawal or removal; or
- c) Where the MFSA cancels the licence issued to the Manager or the Custodian or where the authorisation of the Manager or the Custodian is withdrawn; or
- d) Where the MFSA removes the Manager or the Custodian or suspends their appointment; or
- e) Where the Manager and/or the Custodian shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation), or if the Manager and/or the Custodian is/are unable to pay its/their debts, or commit/s an act of bankruptcy or similar act under the laws of Malta, or if a receiver is appointed of any of the assets of the Manager and/or the Custodian or if some event having an equivalent effect occurs.

In the event that the functions of the Manager or the Custodian cease pursuant to any of the points enumerated (a) to (e) above: (i) the Custodian or Manager must be replaced within two months of its removal or such longer period as may be authorized in writing by the MFSA; and (ii) during the intervening period, the Custodian or the Manager, whichever remains in office, shall take all necessary steps for safeguarding the interests of Unit Holders.

Closure

Save for where a Sub-Fund has a fixed duration such as the BOV Capital Guaranteed Fund 2027, the Manager, with the approval of the Custodian, may decide to close any Sub-Fund. Such closure shall require the consent of Unit Holders of the particular Sub-Fund, to be obtained at a meeting summoned for this purpose in accordance with the procedure and voting thresholds set out in clause 20 of the Deed of Constitution and this Prospectus. Upon the closure of a Sub-Fund, all of the Units in that Sub-Fund will be cancelled by the Manager and the assets of that Sub-Fund available for distribution shall (after satisfaction of creditors' claims) be distributed *pro rata* amongst Unit Holders of such Sub-Fund. The Manager may, with the approval of the Custodian and with the consent of Unit Holders of the Sub-Fund in question, to be obtained at a meeting summoned for this purpose in accordance with the procedure and voting thresholds set out in clause 20 of the Deed of Constitution and this Prospectus, divide *in specie* all or part of the assets of that Sub-Fund amongst Unit Holders according to the value of Units held by each Unit Holder.

For the avoidance of doubt, the above is not applicable to the BOV Capital Guaranteed Fund 2027, which closes at the maturity date of such Sub-Fund (as set out in the Offering Supplement thereof).

If the Manager or the Custodian cease to perform their duties pursuant to the happening of any of the events prescribed in clause 24.1 of the Deed of Constitution and are not replaced within two months (or such longer period as may be permitted by the MFSA) all remaining Sub-Funds shall be closed in accordance with the procedure outlined in the immediately preceding paragraph PROVIDED THAT if it is the Investment Manager which has ceased to perform its duties, any reference in the immediately preceding paragraph to the Investment Manager shall be construed as a reference to the Custodian and the terms thereof shall apply *mutatis mutandis* to the Custodian such that it is the Custodian which will be entrusted with the closure of the remaining Sub-Funds.

Following the closure of all Sub-Funds, the Investment Manager may, in agreement with the Custodian decide to request the surrender of the Fund's licence from the MFSA, following which (in the event of a reply in the affirmative) the Fund will be closed.

Documents for Inspection

Copies of the following documents will be available for inspection by prospective and

existing investors or their representatives at the registered office of the Manager:

- 1) The Deed of Constitution;
- 2) The latest Prospectus, and Offering Supplements for all Sub-Funds;
- 3) The KIDs;
- 4) The Custody Agreement and administration agreement; and
- 5) The latest Annual and Half Yearly report of the Fund.

A copy of this Prospectus, together with any Offering Supplements thereto, has been lodged with the MFSA and the Registrar of Companies and are therefore also available for inspection at their offices in Valletta, Malta.

Notices

Any notice or other document required to be served upon a Unit Holder shall be sent by electronic mail to the email address indicated for this purpose by the Unit Holder in his/her Application Form (or in such other manner as may be agreed from time to time with the Unit Holders).

TAXATION

General

This summary describes certain income tax consequences of the purchase, beneficial ownership and disposition of the Units by Unit Holders. This summary is based on interpretations of Maltese law as at the date of this document. Any change to applicable Maltese law may be applied retroactively and may adversely affect the Maltese income tax consequences described herein. This summary does not discuss all of the tax consequences that may be relevant to all investors.

The following summary was not intended or written to be used, and cannot be used, for the purpose of avoiding Maltese state, or local tax penalties. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

Accordingly, prospective investors are urged to consult their tax advisors with respect to the tax consequences of investing in the Units, as well as any consequences arising under the laws of any other taxing jurisdiction to which they may be subject.

The Fund - Maltese law

The tax regime for collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001. In general, a prescribed fund is defined as a fund resident in Malta which has declared that the value of its assets situated in Malta amount to at least eighty-five percent (85%) of the value of the total assets of the fund. Other funds resident in Malta which do not have such an exposure to Maltese assets and all non-resident funds are treated as non-prescribed funds.

The Sub-Funds are treated as resident for tax purposes in Malta and are liable to income tax in Malta. However, further to the above distinction, to the extent that they will qualify as non-prescribed funds, the Sub-Funds will benefit from a tax exemption on all their income, other than on profits and capital gains relating to immovable property situated in Malta. In particular, income received by the Sub-Funds from other collective investment schemes licensed under the Investment Services Act (Cap. 370 of the laws of Malta) or from any other foreign sources should be exempt from tax in Malta.

Capital gains, dividends, interest and any other income from foreign securities or sources held by the Sub-Funds may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Sub-Funds or their Unit Holders.

Unit Holders in the Sub-Funds - Maltese law

Capital gains realised on transfers or redemptions of Units in the Sub-Funds by persons who are not resident in Malta (covered by the relevant exemption) should be exempt from tax in Malta.

Capital gains realised by Unit Holders resident in Malta on the redemption, liquidation, or cancellation of Units, may be subject to a 15% final withholding tax and the obligation to deduct such tax at source lies on the Manager (on behalf of the Sub-Fund). However Unit Holders resident in Malta have the option to request the Manager (on behalf of the relevant Sub-Fund) not to effect the deduction of the said 15% withholding tax in which case the investor would be required to declare the gains in his income tax return and will be subject to tax at the applicable progressive rates.

FATCA Implementation in Malta

On 16 December 2013, the governments of Malta and the United States signed an agreement to “Improve International Tax Compliance and to Implement FATCA” (the “**Inter-Governmental Agreement**”). This agreement will significantly increase the amount of tax information automatically exchanged between Malta and the United States.

Notwithstanding that it is the Investment Manager’s current policy not to accept subscriptions in any of the Sub-Funds from U.S. Persons (as defined in FATCA), prospective investors should be aware that FATCA provides for the automatic reporting and exchange of information in relation to accounts held in Maltese “financial institutions” by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Maltese residents. It is likely that one or more Sub-Funds will be subject to these rules. The Inter-Governmental Agreement provides that Maltese financial institutions will report to the Maltese competent authorities in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the U.S. Secretary of the Treasury or his delegates in respect of any Malta-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The Investment Manager (on behalf of a Sub-Fund) and/or the Administrator shall be entitled to require investors to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which may arise as a result of the Inter-Governmental Agreement or any legislation issued in connection with the agreement.

Other countries are in the process of adopting similar tax legislation concerning the reporting of information. The Manager (on behalf of the Sub-Funds) also intends to comply with such other similar tax legislation that may apply to the Sub-Funds, although the exact parameters of such requirements are not yet fully known. As a result, the Manager (on behalf of the Sub-Funds) may need to seek information about the tax status of investors under such other country’s laws and each investor for disclosure to the relevant governmental authority.

Prospective investors should consult their own tax advisor (i) regarding the requirements under FATCA with respect to their own situation, and (ii) with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in a Sub-Fund.

THE FOREGOING SUMMARY DOES NOT ADDRESS TAX CONSIDERATIONS WHICH MAY BE APPLICABLE TO CERTAIN UNIT HOLDERS UNDER THE LAWS OF JURISDICTIONS OTHER THAN MALTA. IT IS THE RESPONSIBILITY OF ALL PERSONS INTERESTED IN PURCHASING THE UNITS TO INFORM THEMSELVES AS TO ANY INCOME OR OTHER TAX CONSEQUENCES ARISING IN THE JURISDICTIONS IN WHICH THEY ARE RESIDENT OR DOMICILED FOR TAX PURPOSES, AS WELL AS ANY FOREIGN EXCHANGE OR OTHER FISCAL OR LEGAL RESTRICTIONS, WHICH ARE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THE UNITS.

ANTI-MONEY LAUNDERING

The Manager, the Directors, the Administrator and Custodian of the relevant Sub-Funds will have duties and will fully comply with their obligations under, and will implement any and all procedures prescribed by the Prevention of Money Laundering Act (Chapter 373 of the Laws of Malta), the Prevention of Money Laundering and Funding of Terrorism Regulations (S.L 373.01), the FIAU Implementing Procedures and other applicable laws in Malta, as the same may be amended and/or supplement from time to time (the “**AML Laws**”).

Such obligations include the identification of investors and source of funds, the retention of the relevant identification and transaction documentation, the reporting of transactions suspected of involving money laundering or financing of terrorism and transfer of relevant data to the relevant competent authorities (in particular the Financial Intelligence Analysis Unit). In this regard, appropriate internal procedures will be established in order to fulfil these obligations and a Money Laundering Reporting Officer will be appointed in respect of the Fund and the Sub-Funds. In fulfilment of its obligations under AML Laws, the Manager, the Directors, the Money Laundering Reporting Officer, the Administrator and the Custodian may require a detailed identification procedure with respect to a prospective investor as well as information concerning the origin of the funds. Such identification procedure will include the production of the documentation specified in the respective Application Forms or Redemptions Forms (as applicable).

The above referenced information does not constitute an exhaustive list of information which may be requested and the Manager and any of the persons mentioned above may request such additional information and documentation as is considered necessary to verify the identity of an applicant, to identify the source of funds of the prospective investor and/or to comply with their respective anti-money laundering obligations in accordance with AML Laws. Each applicant shall also be required to make such representations as may be required by the Manager and/or the Administrator in order to enable the same to comply with AML Laws.

In the event of delay or failure by the applicant to produce any information and documents required as aforesaid, the Manager will refuse to accept the respective application or request (and, where applicable, the subscription monies relating thereto) until proper information and documents have been provided and none of the Manager, the Directors, the Money Laundering Reporting Officer, the Administrator, the Custodian and other authorised Service Providers or intermediaries shall be liable to an applicant where an application or request is not processed.

Unit Holders should note that where redemption proceeds are requested to be remitted to an account which is not in the name of the Unit Holder, the Manager reserves the right to request such information as may be reasonably necessary in order to verify the identity of the owner of the account to which the redemption proceeds will be paid.

Each applicant acknowledges that the Manager, the Directors, the Money Laundering Reporting Officer, the Administrator, the Service Providers or intermediaries (and each of their subsidiaries, employees, agents and affiliates) shall be held harmless against any loss arising as a result of a failure to process an application or request if any such information and documentation requested is not duly provided.

DATA PROTECTION

As part of the subscription procedure, personal data relating to all prospective Unit Holders, Unit Holders and other natural persons (also referred to as “**Data Subjects**”), is required to be obtained.

The Manager requires this information, amongst others, to enable completion of the subscription procedure, maintenance of the Unit Holders’ register and generally to comply with any requests of the prospective Unit Holders and Unit Holders which the Manager wishes to entertain and all applicable legislation and regulatory requirements. Unit Holders may be similarly required to provide and/or submit documents and information whether in order to process exchange, transfer, redemption or other requests or to comply with relevant legislation to the Manager or other authorised data processing entities (including but not limited to the Custodian and the Administrator) as may be required in terms of or pursuant to this Prospectus. Information collected may include personal data, defined under the relevant privacy laws as any information relating to an identified or identifiable natural person, who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person (the “**Personal Data**”).

The Manager is a controller of Personal Data, that is, a body which collects, processes and determines the purposes and means of the processing of Personal Data. The Manager will process this data according to the relevant privacy laws, including The General Data Protection Regulation (the “**GDPR**”) and the Data Protection Act, Chapter 586 of the Laws of Malta, and subsidiary legislation thereto, as may be amended from time to time.

For information on the rights of Data Subjects; the purposes of processing and the Manager’s lawful bases of such processing; recipients and transfers of Personal Data; data retention obligations; and, the technical and organisational measures adopted by the Manager to keep the Personal Data secure, please refer to the Privacy Notices provided to you by the Manager.

Data Subjects may contact the Manager by email on infoassetmanagement@bov.com and by telephone on 21227311.

By investing in a Sub-Fund, investors acknowledge to have been informed of and provided with a copy of the Manager’s Privacy Notice on the processing of personal data.

SUSTAINABILITY MATTERS

The Investment Manager integrates sustainability risks into its risk management framework, and maintains a policy as to the integration of sustainability risks into its investment decision-making process. Where applicable, consideration of potential ESG and sustainability risks related to a company or asset is integrated in the Investment Manager's investment process, from identification of trends, analysis of investments through to portfolio construction.

As at the date hereof, the Investment Manager does not deem sustainability risks to be relevant to the Company and its Sub-Funds given that the current investment strategies of the investments made by the Fund's Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities. Accordingly, when making investment decisions, the Investment Manager does not consider sustainability factors and/or the adverse impacts of investment decisions on sustainability as this does not fit in with: (1) the current or intended future composition of the Sub-Funds' portfolios; and (2) any of the investment strategies and/or policies of the Sub-Funds.

To the extent that sustainability risks are considered relevant to any future Sub-Funds, the Investment Manager undertakes to integrate sustainability risks into its investment decision-making processes whilst taking into account the investment strategy and risk profile of the Sub-Funds' portfolios. The Investment Manager will, where sustainability risks are deemed relevant to the Sub-Funds, seek to mitigate and manage those sustainability risks in accordance with the policies and procedures it maintains in compliance with its obligations emanating from the Commission Delegated Regulation (EU) 2021/1270 as regards the sustainability risks and sustainability factors to be taken into account for undertakings for collective investment in transferable securities (UCITS).

To the extent that sustainability risks are relevant to any future Sub-Funds and, or future mandates, the below approaches, as further described in the sustainability risk policy, may be undertaken:

1. ESG integration: The Investment Manager describes its ESG integration approach as the systematic and explicit inclusion of material ESG factors into investment analysis and investment decisions. Such approach could span the breadth of the investment process - from identification of trends, analysis of investments through to portfolio construction; and
2. Screening: The Investment Manager could apply a set of filters for the purpose of determining which companies, sectors or activities are eligible or ineligible to be invested in based on its preferences, values and, or ethics. The Investment Manager could implement a mix of positive and negative screens in accordance with ethical inclusion or exclusion criteria. Once invested in, the on-going eligibility of said

companies, sectors or activities is likely to be revisited on a periodic basis, or if there are significant changes.

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

The Investment Manager has opted not to comply with the Principal Adverse Impacts (PAI) regime established under the SFDR, both generally under Article 4 of the SFDR, and more specifically in relation to the Sub-Funds under Article 7 of the SFDR. While the Investment Manager is supportive of the policy aims of the PAI regime to improve transparency to clients, the Investment Manager is aware that, considering the scale of its activities and the types of products, it would be challenging to comply with the PAI regime of the SFDR. The Investment Manager also believes that some of its investment strategies cannot currently support the adoption of the PAI regime, as these strategies involve underlying securities or products where it is impossible to conduct a detailed due diligence on the adverse sustainability impact. Finally, the Investment Manager is concerned about the current lack of readily available data to comply with the reporting requirements of the PAI statement as companies and market data providers are not yet ready to make all necessary data available. The Investment Manager will at least on an annual basis revisit its decision not to comply with the PAI regime and reserves the right to change its position in the future.

The Sub-Funds classify as Article 6 Funds in terms of the SFDR, meaning that the Sub-Funds do not promote environmental or social characteristics in a way that meets the Article 8 classification for SFDR purposes; and that the Sub-Funds do not have sustainable investment as their objective in a way that meets the Article 9 classification for SFDR purposes.

For the purpose of the Taxonomy Regulation, the investments made by the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

APPENDIX 1 – APPROVED REGULATED MARKETS

The following is a list of Approved Regulated Markets as the term is defined and used in this Prospectus:

1(a) any stock exchange which is:

- located in an EEA Member State; or
- located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America, United Kingdom; or

(b) any stock exchange included in the following list:

- Channel Islands - Channel Islands Stock Exchange;
- Turkey - Istanbul Stock Exchange;

(c) any of the following:

- The market organised by the International Capital Market Association;
- The (i) market conducted by banks and other institutions regulated by the FSA and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook and (ii) market in non-investment products which is subject to the guidance contained in the Non Investment Products Code drawn up by the participants in the London market, including the FSA and the Bank of England;
- The market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the U.S. Securities and Exchange Commission;
- The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- KOSDAQ;
- NASDAQ;
- SESDAQ;
- TAISDAQ/Gretai Market;
- The Chicago Board of Trade;
- The Chicago Mercantile Exchange;
- The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

- The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;
 - The French market for Titres de Créance Negotiable (over-the-counter market in negotiable debt instruments);
2. In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is:
- i. located in an EEA Member State,
 - ii. located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States, United Kingdom,
 - iii. the Channel Islands Stock Exchange, or
 - iv. listed at 1(c) above.

The stock exchanges and regulated markets described above are set out herein in accordance with the requirements of the MFSA.

APPENDIX 2 – VALUATION OF ASSETS

In accordance with the Deed of Constitution, the value of assets comprised in a Sub-Fund shall be ascertained on the following basis:

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

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

(C) the value of any underlying investment of the Sub-Funds which is not quoted, listed or normally dealt in, on or under the rules of an Approved Regulated Market, shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest valuation thereof made in accordance with the provisions hereinafter contained:

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

(D) the value of each unit or share in any CIS which provides for the units or shares therein to be realised at the option of the shareholder out of the assets of that scheme shall be the last published net asset value per unit or share or (if bid and offer prices are published) at a price midway between the last published bid and offer prices applicable to the Fund;

(E) the value of any futures contract shall be:-

- i. in the case of a futures contract for the sale of the subject-matter thereof, the positive or negative amount produced by applying the following formula:-

$$a - (b + c)$$

- ii. in the case of a futures contract for the purchase of the subject-matter thereof, the positive or negative amount produced by applying the following formula:-

$$b - (a + c)$$

where:-

a = the contract value of the relevant futures contract ("the relevant contract")

b = the amount determined by the Manager to be the contract value of such futures contract as would be required to be entered into by the Sub-Fund in order to close the relevant contract, such determinate to be based on the latest available price or (if bid and offered quotations are made) middle quotation on the Approved

Regulated Market in which the relevant contract was entered into by the Sub-Fund;
and

c = the amount expended out of the Sub-Fund in entering into the relevant contract, including the amount of all stamp duties, commissions and other expenses but excluding any deposit or margin provided in connection therewith.

- (F) cash, deposits and similar property shall be valued at their face value (together with accrued interest);
- (G) property other than the investments listed in this Schedule shall be valued in such manner and at such time or times as the Manager shall from time to time determine in accordance with the principles and procedures set out in the Valuation Policy in place from time to time;
- (H) derivative instruments shall be valued using quoted market prices for publicly traded derivatives or, in the absence of quoted market prices on the basis of appropriate valuation techniques as the Manager shall from time to time determine in accordance with its Valuation Policy. In the absence of quoted market prices, the valuation of derivative instruments shall be verified by a person within the Manager which is independent from the persons in charge of managing the assets of the Sub-Funds.
- (I) notwithstanding any of the foregoing sub-paragraphs, the Manager may, after consultation with the Custodian, adjust the value of any investment or other property or permit some other method of valuation to be used if it considers that in the circumstances (including without limitation: (a) a material volume of subscription or redemptions of Units in one or more of the Sub-Funds; or (b) the marketability of the investments or other property; or (c) such other circumstances as the Manager deems appropriate) such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investment or other property;
- (J) every Unit allotted by the Sub-Fund shall be deemed to be in issue and the value of the Sub-Fund shall be deemed to include the net amount of any cash or other property to be received in respect of each such Unit;
- (K) where in consequence of any notice or repurchase request duly given and processed, a reduction of the Sub-Fund by the cancellation of Units has been or is to be effected but payment in respect of such reduction has not been completed, the Units in question shall be deemed not to be in issue and any amount payable in cash or investments out of the Fund in pursuance of such reduction shall be deducted;
- (L) where any investment or other property has been agreed to be acquired or realised but such acquisition or disposal has not been completed, such investment or other property shall be included or excluded and the gross acquisition or net disposal

consideration excluded or included as the Investment Manager shall from time to time determine as if such acquisition or disposal had been duly completed;

- (M) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Manager may have determined to amortise less the amount thereof which has previously been or is then to be written off;
- (N) where an amount in one currency is required to be converted into another currency the Manager may effect such conversion using such latest available rates as the Manager shall determine at the relevant time except where otherwise specifically provided therein;
- (O) there shall be deducted from the assets such sum in respect of tax (if any) as in the estimate of the Manager will become payable in respect of the current Accounting Period;
- (P) there shall be deducted from the value of any investment in respect of which a call option has been written the value of such option calculated by reference to the latest available dealing price on an Approved Regulated Market or (if bid and offered quotations are made) middle quotation on such Approved Regulated Market or if no such price is available the value thereof shall be determined by such professional person as may be appointed by the Manager in agreement with the Custodian
- (Q) where the current price of an investment is quoted, ex dividend or interest, there shall be added to the assets a sum representing the amount of such dividend or interest receivable by the Sub-Fund but not yet received;
- (R) there shall be added to the assets the amount (if any) available for allocation in respect of the last preceding Accounting Period but in respect of which no allocation has been made;
- (S) there shall be deducted from the assets the total amount (whether actual or estimated by the Manager) of any other liabilities properly payable including outstanding borrowings and accrued interest on borrowings (if any) but excluding liabilities taken into account sub-paragraph (K) above.

Notwithstanding the foregoing, the Manager may, after consultation with the Custodian, permit some other method of valuation to be used if in the circumstances such method of valuation would more accurately represent the value of such investments, including, without limitation the amortised cost method of valuation, whereby the investments of the Sub-Funds are valued at their cost of acquisition, adjusted for amortisation of premium or accretion of discount on the investments, rather than at the current market value of the investments.

In the absence of wilful misconduct or manifest error, every decision taken by the Manager, the Administrator or any duly authorised person in calculating the Net Asset Value shall be final and binding on present, past or future Unit Holders.

