

MULTI STARS SICAV

*Société d'investissement à capital variable
RCS Luxembourg B 170371
33A, avenue J.F. Kennedy
L-1855 Luxembourg*

SALES PROSPECTUS

09.02.2017



Distribution of this Prospectus is not authorised unless it is accompanied by a copy of the latest available annual report of MULTI STARS SICAV (the "Fund") containing the audited balance-sheet and a copy of the latest half-yearly report, if published after such annual report. The sales prospectus and the respective annual and semi-annual reports may be obtained free of charge from all paying agents and sales agencies. It is prohibited to disclose information on the Fund, which is not contained in this sales prospectus, the documents mentioned therein, the latest annual report and any subsequent semi-annual report. The English version of this sales prospectus is binding.

The Board of Directors of the Fund and the Board of Directors of PHARUS MANAGEMENT LUX S.A. draws the investors' attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Fund, (notably the right to participate in general shareholders' meetings - if the investor is registered himself and in its own name in the shareholders' register).

In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to directly exercise certain shareholder rights. Investors are therefore advice on their rights in this respect.

VISA 2017/106573-7588-0-PC
L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2017-02-13
Commission de Surveillance du Secteur Financier

MULTI STARS SICAV

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INTRODUCTION

MULTI STARS SICAV (the "Fund") is a company organised as a *société d'investissement à capital variable* ("SICAV") and is registered under Part I of the Luxembourg law of December 17, 2010 on collective investment undertakings (the "2010 Law"). This registration pursuant to the 2010 Law does not require any Luxembourg authority to approve or disapprove either the adequacy of this Prospectus or the portfolio of securities held by the Fund. Any representation to the contrary is unauthorised and unlawful.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not allowed. "United States of America ("USA") - The Fund represents and warrants that its units/shares will not be offered, sold or delivered to US investors. US investors for this purpose are defined as (i) citizens or residents of the United States, or other persons or entities whose income is subject to US federal income tax regardless of source or (ii) that are considered to be US persons pursuant to regulation S of the US Securities Act of 1933 and/or (iii) the US Commodity Exchange Act, as amended.

The Sub-Funds may be registered in different distribution countries.

Potential subscribers to the Fund should inform themselves on applicable laws and regulations (i.e. as to the possible tax requirements or foreign exchange control) of the countries of their citizenship, residence or domicile, and which might be relevant to the subscription, purchase, holding, conversion and redemption of shares.

Any reference to "EUR" in this Prospectus refers to the official currency of the European Monetary Union.

Any reference to "USD" in this Prospectus refers to the official currency of the United States of America.

Any reference to "GBP" in this Prospectus refers to the official currency of the Great Britain Pounds.

Any reference to "CHF" in this Prospectus refers to the official currency of Switzerland.

This Prospectus is subject to changes concerning the addition or suppression of Sub-Funds as well as other modifications. Therefore it is advisable for subscribers to ask for the most recent issue of the Prospectus.

Potential subscribers should note that the structure of the Prospectus is made up of Section I which contains the regulations applicable to each individual Sub-Fund and of Section II which contains the regulations to which the Fund is subject as a whole.

SECTION I: DESCRIPTION OF THE AVAILABLE SUB-FUNDS

- List of available Sub-Funds

Sub-Fund 1 -
MULTI STARS SICAV –AL-FA Dynamic

Sub-Fund 2 -
MULTI STARS SICAV – Cefisa Relative Strength European Equity

Sub-Fund 3 -
MULTI STARS SICAV – Cefisa Relative Strength Global Asset Allocation

Sub-Fund 4-
MULTI STARS SICAV – Emerging Market Local Currency Debt

Sub-Fund 5-
MULTI STARS SICAV – Sureco US Core Equity

Sub-Fund 6-
MULTI STARS SICAV – Alexander

Sub-Fund 7-
MULTI STARS SICAV - Regent Serenity Fund

Sub-Fund 8-
MULTI STARS SICAV- *MegaTrend* (**currently de-activated**)

- Unless otherwise indicated in the tables below, each Sub-Fund of MULTI STARS SICAV is subject to the general regulations as set out in Section II of this Prospectus.
- The turnover rate of the Sub-Fund, as inserted in the annual reports, was computed in compliance with the following formula:

MULTI STARS SICAV –AL-FA Dynamic

*This specific section describes the particularity of the Sub-Fund
MULTI STARS SICAV – AL-FA Dynamic*

It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

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

Risk profile of the Sub-Fund

The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company.

This Sub-Fund may enter into transactions relating to financial derivative instruments for a purpose other than hedging in compliance with what is provided under "Financial Techniques and Instruments" (see below under Section II General Provisions, 13. Investment Guidelines) and in the interest of an efficient management of its assets.

The markets in financial derivative instruments can be volatile and the possibility to realise gains, as well as the risk to suffer losses, may be higher than with investments in securities.

The list of risk factors does not purport to be a complete explanation of the risks involved in shares of the Sub-Fund. It should be remembered that the net asset value of the Sub-Fund can go down as well as up. An investor may not get back the amount he has invested, in particular if shares are redeemed soon after they have been issued. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources.

Risk Management applicable to this Sub-Fund

The Management Company will use the commitment approach, according to CSSF Circular 11/512 and article 47 of the CSSF Regulation 10/04, for determining the global exposure risk of the Sub-fund.

Sub-Fund's total commitment to financial derivative instruments is limited to 100% of the Sub-Fund's total net assets, which is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage. The Sub-Fund will make use of financial derivatives instruments in a manner not to materially alter its risk profile over what would be the case if financial derivatives instruments were not used.

The Management Company will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of the Sub-Fund.

A total leverage of up to 100% over the Net Asset Value of the Sub-Fund is admissible. This percentage does not represent an additional investment restriction and may vary from time to time.

Special risk consideration regarding investments in high-yield debt securities

Certain High Yield Bonds rated Ba1 or BB+ and below by a Rating Agency are very speculative, involve comparatively greater risks than higher quality securities, including price volatility, and may be questionable as to principal and interest payments.

The attention of the potential Investor is drawn to the type of high-risk investment that the Sub-fund is authorised to make. Compared to higher-rated securities, lower-rated High Yield Bonds generally tend to

be more affected by economic and legislative developments, changes in the financial condition of their issuers, have a higher incidence of default and be less liquid.

The Sub-Fund may also invest in High Yield Bonds placed by emerging market issuers that may be subject to greater social, economic and political uncertainties or may be economically based on relatively few or closely interdependent industries. Corporate Debt Securities may bear Fixed Coupon or Fixed and Contingent Coupon or Variable Coupon and may involve equity features such as conversion or exchange rights or warrants for the acquisition of stock of the same or a different issuer (e.g. synthetic convertibles) or participation based on revenue, sales or profits.

Convertible Securities Risk

Convertible securities are subject to the risks of stocks when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the conversion feature) and debt securities when the underlying stock price is low relative to the conversion price (because the conversion feature is less valuable). A convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for gain or loss than the underlying stock.

Contingent Convertible Instruments

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

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

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

Furthermore, there is the "**risk of coupon cancellation**". While all CoCos are subject to conversion or "**write down**" (i.e. the risk to lose part or all of the original investment, the "**write-down risk**") when the issuing bank reaches the trigger level, for some CoCos there is an additional source of risk for the Shareholder in the form of coupon cancellation in a going concern situation. Coupon payments on such type of instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on such CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation (the "**valuation risk**") of such instruments and may lead to mispricing of risk. Such CoCo holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

Further the "**Capital structure inversion risk**" should be taken into account: Contrary to classic capital hierarchy, investors in CoCos may also suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy, where

equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo, when equity holders will already have suffered loss. Moreover, high trigger CoCos may suffer losses not at the point of gone concern, but conceivably in advance of lower trigger CoCos and equity.

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

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

Shareholders are also advised to consider the further risks associated with the investment in CoCos, in particular the **“industry concentration risk”** (which can result from the uneven distribution of exposures to financials due to the CoCos feature and structure, being CoCos requested to be part of the capital structure of financial institutions) and the **“liquidity risk”** (due to the fact that CoCos entail a liquidity risk in stressed market conditions, as a result of their general lower market volume compared to plain-vanilla bonds and of their specific investors). 26

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

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

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

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

Liquidity may be limited during times of market stress.

Furthermore, the Sub-Fund may be subject to other risks. Indeed, rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, a Sub-Fund that holds mortgage-related securities may exhibit additional volatility. This is known as extension risk.

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

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

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

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

Investment Policy and Objective

The Sub –Fund's investment objective is to deliver a superior risk-adjusted return with a strong emphasis on capital preservation using both top-down and bottom-up analysis

The Sub-Fund may invest at least 25% of its assets in rated and unrated debt securities of any kind, such as fixed income instruments, nominal or inflation linked bonds, floating rate instruments, short term debt securities including money market instruments issued or guaranteed by sovereign or corporate issuers, supranational or corporate issuers without any geographical restriction and/or UCITS/UCIs (including ETFs qualifying as UCITS/UCIs), whose main purpose (from 50% to 100%) is to invest in debt securities of any kind such as fixed income instruments, nominal or inflation linked bonds, floating rate instruments, short term debt securities including money market instruments issued or guaranteed by sovereign or corporate issuers, supranational or corporate issuers, financial derivatives on bonds and/or financial bond indices, cash and cash equivalents, money market instruments.

The majority of the investment debt securities should be Investment Grade bonds with Standard & Poor's rating from AAA to BBB- or an equivalent rating issued by another rating agency,

The aggregate investments in high yield debt securities and unrated securities might represent a maximum of 30 % the Sub-Fund's portfolio.

Taking the above limit of 30 % of the Sub-Fund's portfolio in to account the Sub-Fund may invest only up to 15% of its net assets in unrated debt securities on which the issuer is currently (at the time of purchase) not making principal or interest payments, but on which at least two independent counterparties make market on such securities.

The Sub-Fund may invest up to 75% of its assets in transferable securities as equities of any kind, convertible bonds and/or CoCos Bonds without any geographical restriction, UCITSs and/or UCIs (including ETFs qualifying as UCITSs/UCIs) whose purpose is to invest in a flexible way (0% to 100%) in a broad range of assets classes such as equities, debt securities of any kind, government bonds, investment grade bonds, high yield bonds, floating rate notes, financial derivatives, cash and cash equivalents, money market instruments, UCITSs and/or UCIs which may invest in real estate indices, commodity certificates, commodity indices, and which may have an indirect exposure to commodities, without any geographical restriction, eligible in compliance with the law 2010 and with the Grand-Ducal Regulation of 8th February 2008.

Investments in CoCos Bonds can be realised by direct investment in CoCos Bonds and indirect investments in CoCos Bonds via an investment in UCITSs and / or UCIs (including ETFs qualifying as UCITSs/UCIs) themselves investing in CoCos Bonds.

Direct and or indirect investments in CoCos Bonds will be limited to a maximum of 20 % of the Sub-Funds portfolio.

Direct investments in emerging markets equities are not foreseen.

The Sub-Fund may also invest indirectly via an investment in UCITSs and / or UCIs (including ETFs qualifying as UCITSs/UCIs) in Asset-Backed Securities („ABS“) and Mortgage-Backed Securities („MBS“).

Investments in target funds might lead to a duplication of fees.

The maximum management fees of the target investment funds will be 2.00% p.a. of the NAV.

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

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell put and call options, financial futures and forward contracts, on financial indices, foreign currencies and transferable securities for hedging and /or speculative purposes.

Potential subscribers are advised that this Sub-Fund may fall within the scope of the Savings Tax Directive 2003/48/CE.

Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions in order to comply with the laws and regulations of the countries where Shareholders are located.

Asset Management

- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has been designated as management company of the Fund and holds the mandate as investment manager for the Sub-Fund's assets.
- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has delegated, under its supervision and responsibility, its investment management duties for the Sub-Fund's assets to Valeur Asset Management S.A. (the "Investment Manager"), based in Luxembourg and authorised and regulated in Luxembourg by the CSSF having its registered address at Boulevard Joseph II 43, L-1840 Luxembourg.

Distribution

PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, will delegate, under its supervision and responsibility, the distribution to authorized financial professionals.

Investments in MULTI STARS SICAV - AL-FA Dynamic

General Information

- Reference currency: EUR. This is the currency in which the net asset value of the respective Sub-Fund is calculated and not the investment currency of the Sub-Fund concerned. Investments are made in those currencies which best benefit the performance of the Sub-Funds.
- Dividend Policy: This Sub-Fund will pursue an accumulation policy.
- Valuation Day: The NAV per share is calculated daily for each day which is open for business in Luxembourg or should a day not be a business day in Luxembourg, on the next following business day.
- NAV Calculation Day: The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day.
- Shares will be issued as registered shares.
- Types of shares issued:
 - Class A: accumulating shares for retail investors
- Service Fee: This Sub-fund is subject to a "Service Fee" of maximum 0.25 % p.a. calculated on the average total net assets of the Sub-Fund during the month concerned which is due to pay the Depositary, the Central Administration & Domiciliation and the Management Company.

The following annual minimum fees are charged to the Sub-Fund:

- The Management Company charges EUR 10,000.-
 - In addition the Depositary and the Central Administration charge EUR 35,000.-
- The Sub-Fund will pay in addition a Management Fee to remunerate the Investment Manager and the financial intermediaries involved in the marketing and the distribution of the Sub-Fund's Shares, calculated on the average value of the net assets of each Class determined on each Valuation Day and payable monthly.
- Management Fee is as follows:
 - Class A: max 2.10 % p.a.
- Performance Fee:

In addition, the Investment Manager will be entitled to a performance fee, calculated on each Valuation Date and paid on a yearly basis, provided that the net asset value per Share before payment of the Performance Fee is higher than previous highest net asset value per Share of any previous year (HIGHWATERMARK).

The Performance Fee will be equal to 10% of the difference between the net asset value per Share before Performance Fee and highest previous net asset value per Share of the previous year multiplied by the number of Shares outstanding on each Valuation Day.

If a redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the shares redeemed (crystallization) will be paid at the end of the period even if the accrual for performance fees is no longer made at that date.

(more details are given in Section II Point 11. Charges and expenses).

Subscriptions

- The shares of this Sub-Fund are intended for a limited number of investors and the Fund may at its discretion refuse subscription requests.
- Subscription fee: maximum 3.00 % of the NAV to the benefit of the distributors.
- The shares of the Sub-Fund may be subscribed on each Valuation Day at the then prevailing net asset value.
- The minimum subscription amount in Class A is EUR 5,000.-.
- The minimum holding amount in Class A is EUR 1,000.-.
- The price per Class A Shares is EUR 100.-.

Launch Dates

- Class A Shares have been launched on 20 August 2012 with the first NAV calculated on 21 August 2012.

Redemptions

- Shares of the Sub-Fund may be redeemed on each Valuation Day at the then prevailing net asset value.
- Redemption fee: maximum 2.00 % of the NAV to the benefit of the distributors.

Conversions

- Shareholders of the Sub-Fund may request conversion of their Shares into another Sub-Fund on each day, which is open for business. The conversion price per Share will correspond to the applicable Net Asset Value for that day.

Conversion fee: maximum 0.5 % of the NAV to the benefit of the distributors.

Cut-off time for subscription, redemption and conversion

The cut off time for this Sub-Fund is 14.00 Central European Time (CET) each Valuation Day. All requests for subscription, redemption and conversion received after that cut-off time will be processed on the next Valuation Day.

Historical performance

- The historical performance of the Sub-Fund is represented by a chart inserted in the key investor information document.

Portfolio Turnover

- The turnover rate of the Sub-Fund, as inserted in the annual reports, was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2) / M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = $X+Y$

Where X = purchases of securities and Y = sale of securities

Total 2 = total of transactions in shares of the Sub-Fund during the relevant period = $S+T$

Where S = subscriptions of shares of the Sub-Fund and T = redemptions of shares of the Sub-Fund

M = average monthly assets of the Sub-Fund.

Total Expense Ratio (“TER”)

- The TER, being the ratio of the gross amount of the expenses of the Sub-Fund to its average net assets, inserted in the annual reports includes the following expenses: the all-in-fee, the “taxe d’abonnement”, the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

MULTI STARS SICAV –

Cefisa Relative Strength European Equity

*This specific section describes the particularity of the Sub-Fund
MULTI STARS SICAV – Cefisa Relative Strength European Equity.*

It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

An investment in the Sub-Fund is designated to be a long term investment and is not intended as a complete investment program. Investors should not expect to obtain short-term gains from such investment. The investors must be able to accept temporary capital losses; thus the Sub-Fund is suitable for investors who can, ideally, afford to set aside the capital for at least five years.

Risk profile of the Sub-Fund

The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company.

This Sub-Fund may enter into transactions relating to financial derivative instruments for investment purposes and for hedging purposes in compliance with what is provided under “Financial Techniques and Instruments” (see below under Section II General Provisions, 13. Investment Guidelines) in the interest of an efficient portfolio management of its assets and/or for investment/speculative purpose.

The markets in financial derivative instruments can be volatile and entail the possibility to realise gains, as well as the risk to suffer losses.

The list of risk factors does not purport to be a complete explanation of the risks involved in shares of the Sub-Fund. It should be remembered that the net asset value of the Sub-Fund can go down as well as up. An investor may not get back the amount she/he has invested, in particular if shares are redeemed soon after they have been issued. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources.

Risk Management applicable to this Sub-Fund

The Management Company will use the commitment approach, according to CSSF Circular 11/512 and article 47 of the CSSF Regulation 10/04, for determining the global exposure risk of the Sub-Fund.

The Sub-Fund's total commitment to financial derivative instruments is limited to 100% of the Sub-Fund's total net assets, which is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage. The Sub-Fund will make use of financial derivatives instruments in a manner not to materially alter its risk profile over what would be the case if financial derivatives instruments were not used.

The Management Company will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of the Sub-Fund.

A total leverage of up to 100% over the Net Asset Value of the Sub-Fund is admissible. This percentage does not represent an additional investment restriction and may vary from time to time.

Investment Policy and Objective

The Sub-Fund's investment objective is to seek long term capital growth and to outperform its benchmark (MSCI Europe (EUR)) over a three year period. This will be achieved with a “Relative Strength” approach by investing directly in equities primarily listed in Europe as represented in the MSCI Europe Index that includes: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the UK, and in Eastern Europe countries as

represented in the MSCI Emerging Markets Eastern Europe Index that currently includes the Czech Republic, Hungary, Poland and Russia (equities traded on the Russian stock exchange only), or indirectly through international equity-linked instruments with similar regional focus, like Exchange Trade Funds (ETFs), and/or UCITS and/or UCIs that may primarily invest in an equity sector index or in an equity market index.

The investments countries' focus could be modified during the life of the Sub-Fund according to the revision of the MSCI indices countries list mentioned above.

The Sub-Fund equity exposure will be flexible. For the sake of capital preservation, it may reduce significantly its equity exposure in favour of high-grade bonds, rated as described here under, or cash but in all cases the Sub-Fund invests a minimum of 25 % in equities and/or UCITS/UCIs, including ETFs, as specified above.

The Sub-Fund may invest only for capital preservation purposes up to 75% of its assets in high-grade bonds with Standard & Poor's rating from single A to AAA or an equivalent rating issued by another rating agency, money market instruments, cash and cash equivalent or indirectly through investment funds, i.e. ETFs, or UCITS/UCIs with similar asset class focus, investing primarily in debt securities of any kind and/or in financial bond indices and/or money market instruments and/or cash and cash equivalent, alone or in a combination of either one of them without any geographical restriction within the limits of the Law 2010 in order to preserve the invested capital.

Investments in target funds or being advised by the Investment Advisor might lead to a duplication of fees.

The maximum management fees of the target investment funds will be 2.00% p.a. of the NAV.

Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions in order to comply with the laws and regulations of the countries where shareholders are located.

Asset Management

- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has been designated as management company of the Fund and holds the mandate as investment manager for the Sub-Fund's assets.
- The Management Company is being advised by the investment advisor CEFISA Associés S.A., having its registered address at Rue du Mont-de-Sion 10, CH-1206 Geneva.

Distribution

PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, will delegate, under its supervision and responsibility, the distribution to authorized financial professionals.

Investments in MULTI STARS SICAV - Cefisa Relative Strength European Equity

General Information

- Reference currency: EUR
This is the currency in which the net asset value of the respective Sub-Fund is calculated and not the investment currency of the Sub-Fund concerned. Investments are made in those currencies which best benefit the performance of the Sub-Fund.
- Dividend Policy: This Sub-Fund will pursue an accumulation policy.
- Valuation Day: The NAV per share is calculated weekly each Monday which is open for business in Luxembourg or should a Monday not be a business day in Luxembourg, on the next following business day.
- NAV Calculation Day: The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day.

- Types of shares issued:

Class A: The Class A is expressed in EUR
The Class A is an accumulating share for retail investors.

- Shares will be issued as registered shares.
- Service Fee: This Sub-fund's share classes are subject to a "Service Fee" of maximum 0.25 % p.a. calculated on the average total net assets of the Sub-Fund during the month concerned which is due to pay the Depositary, the Central Administration, the Domiciliation Agent and the Management Company.

The following annual minimum fees can also be charged to the Sub-Fund:

- The Management Company charges 10,000. - EUR p.a.
- In addition the Central Administration charges a minimum fee of 20.000.- EUR p.a.,

The Sub-Fund will pay in addition a Management Fee to remunerate the Investment Manager, the Investment Advisor and the financial intermediaries involved in the marketing, the distribution and private placement of the Sub-Fund's Shares, calculated on the average value of the net assets of each Class determined on each Valuation Day and payable monthly.

- Management Fee is as follows:

Class A: max. 1.63 % p.a.

In addition the Investment Manager charges transaction related fees to this Sub-Fund which are not exceeding 25 EUR per investment transaction.

- Performance Fee:

A Performance fee is paid to the Investment Manager and to the Investment Advisor on a quarterly basis and will be equal to 20 % the performance of the net asset value (prior to the accrual of the performance fee) above the MSCI Europe Index (EUR).

The Performance fee is also due when the performance of the Sub-Fund is positive compared to the decrease of the MSCI Europe Index (EUR).

If redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date.

One third of the above Performance Fee is paid to the Investment Advisor and two thirds are paid to the Investment Manager.

(More details are given in Section II Point 11. Charges and expenses)

Subscriptions

- Subscription fee:

A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

- The shares of the Sub-Fund may be subscribed on each Valuation Day at the then prevailing net asset value. The minimum subscription amount for the share classes is as follows:

Class A: 1,000. - EUR
Subsequent subscriptions should be 1,000. - EUR.

- The minimum holding amounts are as follows:

Class A: 1,000. - EUR

Initial Subscription

Class A Shares may initially be subscribed from 15 July 2013 until 31 July 2013 at 14.00 Central European Time (CET) with the 1st NAV calculated for 1 August 2013 on 2 August 2013 at the following minimum initial subscription amount:

Class A: 1,000. - EUR

- The price per Class A shares is 100. - EUR.

Redemptions

- Shares of the Sub-Fund may be redeemed on each Valuation Day at the then prevailing net asset value.
- Redemption fee: a maximum of 2.00 % of the NAV can be charged as redemption fee to the benefit of the Sub-Fund.

Conversions

- Shareholders of the Sub-Fund may request conversion of their Shares into another Sub-Fund on each Valuation Day. The conversion price per Share will correspond to the applicable Net Asset Value for that day.

Conversion fee: a conversion fee of max. 1.00% of the NAV can be charged to the benefit of the Sub-Fund for the conversion to another Sub-Fund.

Cut-off time for subscription, redemption and conversion

The cut off time for this Sub-Fund is 14.00 Central European Time (CET) each Valuation Day. All requests for subscription, redemption and conversion received after that cut-off time will be processed on the next Valuation Day.

Historical performance

- The historical performance of the Sub-Fund is represented by a chart inserted in the key investor information document.

Portfolio Turnover

- The turnover rate of the Sub-Fund, as inserted in the annual reports, was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2) / M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X+Y

Where X = Purchases of securities and Y = sale of securities

Total 2 = Total of transactions in shares of the Sub-Fund during the relevant period = S+T

Where S = Subscriptions of shares of the Sub-Fund and T = redemptions of shares of the Sub-Fund

M = Average monthly assets of the Sub-Fund.

Total Expense Ratio (“TER”)

The TER, being the ratio of the gross amount of the expenses of the Sub-Fund to its average net assets, inserted in the annual reports includes the following expenses: the all-in-fee, the “taxe d’abonnement”, the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders

MULTI STARS SICAV –

Cefisa Relative Strength Global Asset Allocation

*This specific section describes the particularity of the Sub-Fund
MULTI STARS SICAV – Cefisa Relative Strength Global Asset Allocation.*

It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

An investment in the Sub-Fund is designated to Investors who aim for a complete, diversified and flexible asset allocation. Investors should not expect to obtain short-term gains from such investment. The investors must be able to accept temporary capital losses; thus the Sub-Fund is suitable for investors who can, ideally, afford to set aside the capital for at least 3 to 5 years.

Risk profile of the Sub-Fund

Because of its exposure to fixed income, equity and, to a lesser extent, commodities and real estate-linked investments, the Sub-Fund will be subject to the volatility of those asset classes.

The Sub-Fund's strategy of flexible exposure within each asset class is aiming however to balance their risk.

The Sub-Fund may invest in financial derivative instruments to achieve its investment objective. Such instruments may also be used for the purposes of hedging and/or for investment/speculative purpose.

These instruments may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments and swap contracts and other fixed income, currency and credit derivatives.

The markets in financial derivative instruments can be volatile and entail the possibility to realise gains, as well as the risk to suffer losses.

The list of risk factors does not purport to be a complete explanation of the risks involved in shares of the Sub-Fund. It should be remembered that the net asset value of the Sub-Fund can go down as well as up. An investor may not get back the amount she/he has invested, in particular if shares are redeemed soon after they have been issued. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources.

Risk Management applicable to this Sub-Fund

The Management Company will use the commitment approach, according to CSSF Circular 11/512 and article 47 of the CSSF Regulation 10/04, for determining the global exposure risk of the Sub-Fund.

The Sub-Fund's total commitment to financial derivative instruments is limited to 100% of the Sub-Fund's total net assets, which is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage. The Sub-Fund will make use of financial derivatives instruments in a manner not to materially alter its risk profile over what would be the case if financial derivatives instruments were not used.

The Management Company will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of the Sub-Fund.

A total leverage of up to 100% over the Net Asset Value of the Sub-Fund is admissible. This percentage does not represent an additional investment restriction and may vary from time to time.

Investment Policy and Objective

The Sub-Fund's objective is to offer long term capital growth and to outperform its benchmark over a three year period. The Sub-Fund seeks to achieve its objective through a diversified global asset allocation

based on a « Relative Strength » approach, with flexible exposure to fixed income, equity markets, commodities and real estate linked investments.

The benchmark referenced above is a composed benchmark which is composed as follows:

EuroMTS Eonia® Investable Index	5%
Barclays Euro Aggregate Bond TR EUR	35%
MSCI WORLD TR	45%
Dow Jones-UBS Commodity Index	7%
Dow Jones-UBS Precious Metals Spot Subindex	3%
FTSE EPRA/NAREIT Developed Dividend+ Index	5%

The Sub-Fund provides investors with exposure to global bond markets by investing in globally issued government and/or corporate bonds including money market instruments with a rating Standards & Poor's from single BBB to AAA or an equivalent rating issued by another rating agency or through international bond -instruments, like Exchange Traded Funds (ETFs), or UCITS or UCIs that may primarily invest in a sector or in a bond market index.

Moreover the Sub-Fund may invest up to 60% of its assets directly in equities or indirectly through international equity-linked instruments like Exchange Traded Funds (ETFs) and or UCITS and / or UCIs that may primarily invest in a sector or in an equity market index.

Exposure to commodities up to 15% of the Sub-Fund's Net assets may also be achieved, through investment in eligible and diversified Exchange Traded Funds and/or Exchange Traded Commodities and/or through the use of other eligible financial derivative instruments on commodity indices and/or UCITS and/or UCIs that may primarily invest in a sector or in a commodities market index. The eligibility of instruments utilized in this respect will be validated independently along the provision of applicable regulation prior to purchase and where necessary on an ongoing basis. Investments in ETC are only allowed exclusively allowed under condition of compliance with eligibility criteria stated by art. 41(1) of the Law 2010, art. 2 of the Grand-Ducal Regulation of 8 February 2008 as well as CSSF Circular 08/380.

Investments in structured financial instruments embedding derivatives, in the sense of art. 2(3) and 10 of the Grand-Ducal Regulation of 8 February 2008, are also envisaged and allowed, subject to the strict condition that the underlying assets are qualifying as eligible assets in the sense of art. 41(1) of the Law 2010 and art. 8 of the Grand-Ducal Regulation of 8 February 2008 (look-through principle).

The Sub-Fund may use different instruments on currencies other than the Sub-Fund's valuation currency for exposure or hedging purposes.

The Sub-Fund may hold cash on an ancillary basis up to 49% of its assets.

This Sub-Fund may invest in Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs) and units/shares of UCITS and/or other UCIs provided that:

- Exposure to Real Estate asset class may not reach more than 6% of its assets and will be achieved through investment in transferable securities listed on a recognized stock exchange and representative of the real estate market d/or ETFs, UCITS or UCIs that may primarily represent a sector or a real estate market index.
The Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the 2010 Law.

Investments in target funds managed or being advised by the Investment Advisor might lead to a duplication of fees.

The maximum management fees of the target investment funds will be 2.00 % p.a. of the NAV.

Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions in order to comply with the laws and regulations of the countries where shareholders are located.

Asset Management

- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has been designated as management company of the Fund and holds the mandate as investment manager for the Sub-Fund's assets.
- The Management Company is being advised by the investment advisor CEFISA Associés S.A., having its registered address at Rue du Mont de Sion 10, CH 1206 Geneva.

Distribution

PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, will delegate, under its supervision and responsibility, the distribution to authorized financial professionals.

Investments in MULTI STARS SICAV - Cefisa Relative Strength Global Asset Allocation

General Information

- Reference currency: EUR
This is the currency in which the net asset value of the respective Sub-Fund is calculated and not the investment currency of the Sub-Fund concerned. Investments are made in those currencies which best benefit the performance of the Sub-Fund.
- Dividend Policy: This Sub-Fund will pursue an accumulation policy applicable to classes A, B.
- Valuation Day: The NAV per share is calculated daily for each day which is open for business in Luxembourg or should a day not be a business day in Luxembourg, on the next following business day.
- NAV Calculation Day: The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day.
- Shares will be issued as registered shares.
- Types of shares issued:

Class A: The Class A is expressed in EUR
The Class A is an accumulating share for retail investors.

Class B: The Class B is expressed in EUR
The Class B is an accumulating share class for institutional investors.

Service Fee: This Sub-fund's share classes are subject to a "Service Fee" of maximum 0.25 % p.a. calculated on the average total net assets of the Sub-Fund during the month concerned which is due to pay the Depositary, the Central Administration, the Domiciliation Agent and the Management Company.

The following annual minimum fees can also be charged to the Sub-Fund:

- The Management Company charges 10,000. - EUR p.a.
- In addition the Central Administration charges 25,000.-EUR p.a.
- The Sub-Fund will pay in addition a Management Fee to remunerate the Investment Manager, the Investment Advisor and the financial intermediaries involved in the marketing, the distribution and private placement of the Sub-Fund's Shares, calculated on the average value of the net assets of each Class determined on each Valuation Day and payable monthly.
- Management Fee is as follows:

- Class A: max. 1.63% p.a.
- Class B: max. 1.13% p.a.

In addition the Investment Manager charges transaction related fees to this Sub-Fund which are not exceeding 25 EUR per investment transaction.

The following annual minimum Management Fee is charged to the Sub-Fund: 20,000. - EUR p.a.

- Investment Advisory Fee and Performance Fee:

A Performance fee is paid to the Investment Manager and to the Investment Advisor on a quarterly basis and will be equal to 10 % of the performance of the net asset value (prior to the accrual of the performance fee) above the High Water Mark. The High Water Mark is the higher of (i) the initial subscription price and (ii) the last net asset value as of which a performance fee was paid."

If redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date.

One third of the above Performance Fee is paid to the Investment Advisor and two thirds are paid to the Investment Manager.

(More details are given in Section II Point 11. Charges and expenses)

Subscriptions

- Subscription fee:

Class A: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

Class B: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

- The shares of the Sub-Fund may be subscribed on each Valuation Day at the then prevailing net asset value.
- The minimum subscription amount for the share classes is as follows
 - Class A: 1,000.- EUR
 - Class B: 500,000.- EUR
 - Subsequent subscriptions in Class A should be 1,000 EUR.
 - Subsequent subscriptions in Class B should be 50,000 EUR.
- The minimum holding amounts are as follows
 - Class A: 1,000.- EUR
 - Class B: 500,000.- EUR

Initial Subscription

Class A Shares of the Sub-Fund was initially subscribed from the 15 July 2013 until 31 July 2013 14.00 Central with the 1st NAV calculated for 1 August 2013 on 2 August 2013 at the following minimum initial subscription amounts:

- Class A: 1,000.- EUR

The Class B Shares of the Sub-Fund is currently dormant

- Class B: 500,000.- EUR
- The price per Class A Shares is 100.- EUR.
- The price per Class B Shares is 1,000.- EUR

Redemptions

- Shares of the Sub-Fund may be redeemed on each Valuation Day at the then prevailing net asset value.
- Redemption fee: a maximum of 2.00 % of the NAV can be charged as redemption fee to the benefit of the Sub-Fund.

Conversions

- Shareholders of the Sub-Fund may request conversion of their Shares into another Sub-Fund on each Valuation Day. The conversion price per Share will correspond to the applicable Net Asset Value for that day.

Conversions from the A and B Classes among themselves are not allowed.

- Conversion fee: a conversion fee of max. 1.00% of the NAV can be charged to the benefit of the Sub-Fund for the conversion to another Sub-Fund.

Cut-off time for subscription, redemption and conversion

The cut off time for this Sub-Fund is 14.00 Central European Time (CET) each Valuation Day. All requests for subscription, redemption and conversion received after that cut-off time will be processed on the next Valuation Day.

Historical performance

- The historical performance of the Sub-Fund is represented by a chart inserted in the key investor information document.

Portfolio Turnover

- The turnover rate of the Sub-Fund, as inserted in the annual reports, was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2) / M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X+Y

Where X = Purchases of securities and Y = sale of securities

Total 2 = Total of transactions in shares of the Sub-Fund during the relevant period = S+T

Where S = Subscriptions of shares of the Sub-Fund and T = redemptions of shares of the Sub-Fund

M = Average monthly assets of the Sub-Fund.

Total Expense Ratio (“TER”)

- The TER, being the ratio of the gross amount of the expenses of the Sub-Fund to its average net assets, inserted in the annual reports includes the following expenses: the all-in-fee, the “taxe d’abonnement”, the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

MULTI STARS SICAV –

Emerging Market Local Currency Debt

*This specific section describes the particularity of the Sub-Fund
MULTI STARS SICAV – Emerging Market Local Currency Debt.*

It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

The Sub-Fund is suitable for investors who seek long-term capital growth through capital appreciation and are interested in diversifying globally in emerging countries.

The Sub-Fund is suitable for investors that understand the risks of investing in the bond emerging local market. It is suitable for investors who are willing to accept a maximum level of risk and who are willing to accept an investment horizon of at least five years.

Risk profile of the Sub-Fund

Investment in emerging market debt securities involves special considerations and risks not typically associated with investments in securities of issuers from developed countries, such as currency fluctuations, risk of instability caused by political situation, risk of investing in countries with smaller capital markets, limited liquidity, higher price volatility, restrictions on foreign investment and higher sovereign credit risk.

Emerging markets are exposed to rapid political changes and economic declines. Political situation or economic instability of emerging markets countries can influence investors' confidence, which in turn can have a negative effect on exchange rates and on security prices.

The exchange rates and the prices of securities in the emerging markets are often extremely volatile. Changes to these prices are caused by interest rates, external forces affecting the markets, trade-related, tax-related or monetary policies, governmental policies as well as international political and economic events. In most cases, the securities markets in the emerging countries are still in their primary stage of development. This may result in risks and practices such as increased volatility that usually do not occur in developed securities markets and which may have a negative influence on the securities listed on the stock exchanges of these countries. In addition, the markets in emerging countries are frequently characterized by illiquidity in the form of low turnover of some of the listed securities.

In comparison to other types of investment made on developed countries that carry a smaller risk, it is important to note that exchange rates are subject to substantial fluctuations. The opportunities permitted by an investment of this kind are therefore countered by substantial risks. Political situation and possible changes, restrictions on currency exchange, exchange monitoring, taxes, and limitations on foreign capital investments can affect investment performance

Risk Management applicable to this Sub-Fund

The Management Company will use the commitment approach, according to CSSF Circular 11/512 and article 47 of the CSSF Regulation 10/04, for determining the global exposure risk of the Sub-Fund.

The Sub-Fund's total commitment to financial derivative instruments is limited to 100% of the Sub-Fund's total net assets, which is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage. The Sub-Fund will make use of financial derivatives instruments in a manner not to materially alter its risk profile over what would be the case if financial derivatives instruments were not used.

The Management Company will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of the Sub-Fund.

A total leverage of up to 100% over the Net Asset Value of the Sub-Fund is admissible. This percentage does not represent an additional investment restriction and may vary from time to time.

Investment Policy and Objective

The Sub-Fund's investment objective is to achieve capital growth, by investing minimum 75% of its total assets in a diversified portfolio of rated and/or unrated bonds of any kind including bonds without maturity date (perpetual), including money markets instruments and/or convertible bonds issued by sovereign or corporate or supranational issuers denominated in emerging market local currency.

Investments in unrated debt obligations and debt obligations rated by local rating agencies of emerging countries should be allowed to be invested up to 30% of the net asset value.

The Sub-Fund can invest up to 10% of the Sub-Fund's net assets in UCITS and/or other UCIs, including ETFs qualifying as UCITS and/or UCIs.

Investment Restrictions

The Sub-Fund may, in accordance with the investment restrictions of the Fund, purchase or sell, financial futures and forward contracts, on financial indices, currencies and transferable securities, for efficient portfolio management and/or investment speculative purposes.

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions in order to comply with the laws and regulations of the countries where shareholders are located.

Asset Management

- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has been designated as management company of the Fund and holds the mandate as investment manager for the Sub-Fund's assets.
- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has delegated, under its supervision and responsibility, its investment management duties for the Sub-Fund's assets to Pharus Management S.A. (the "Investment Manager"), having its registered address at Via Pollini 7, CH-6850 Mendrisio and authorised and regulated in Switzerland by the FINMA.

Distribution

PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, will delegate, under its supervision and responsibility, the distribution to authorized financial professionals.

Investments in MULTI STARS SICAV- Emerging Market Local Currency Debt

General Information

- Reference currency: EUR
This is the currency in which the net asset value of the respective Sub-Fund is calculated and not the investment currency of the Sub-Fund concerned. Investments are made in those currencies which best benefit the performance of the Sub-Fund.
- Dividend Policy: This Sub-Fund will pursue a distribution policy.
- Valuation Day: The NAV per share is calculated daily each Day which is open for business in Luxembourg or should a day not be a business day in Luxembourg, on the next following business day.
- NAV Calculation Day: The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day.
- Shares will be issued as registered shares.
- Types of shares issued:

Class A:	The Class A is expressed in EUR The Class A is a distributing share class for retail investors.
Class B:	The Class B is expressed in EUR. The Class B is a distributing class for institutional investors.

Class C:	The Class C is expressed in CHF and will be hedged against the EUR. The Class C is a distributing share class for retail investors.
Class D:	The Class D is expressed in CHF and will be hedged against the EUR. The Class D is a distributing share class for institutional investors.
Class E:	The Class E is expressed in USD and will be hedged against the EUR. The Class E is a distributing share class for retail investors.
Class F:	The Class F is expressed in USD and will be hedged against the EUR. The Class F is a distributing share class for institutional investors

- Service Fee: This Sub-Fund's share classes are subject to a "Service Fee" of maximum 0.32 % p.a. calculated on the average total net assets of the Sub-Fund during the month concerned which is due to pay the Depositary, the Central Administration, the Domiciliation Agent and the Management Company.

The following annual minimum fees can also be charged to the Sub-Fund:

- The Management Company charges 10,000. - EUR p.a.
- In addition the Depositary and the Central Administration can charge 50,000.-EUR p.a.
- The Sub-Fund will pay in addition a Management Fee to remunerate the Investment Manager and the financial intermediaries involved in the marketing and the distribution and private placement of the Sub-Fund's Shares, calculated on the average value of the net assets of each Class determined on each Valuation Day and payable monthly.
- Management Fee is as follows:
 - Class A: max. 1.75% p.a.
 - Class B: max. 0.90% p.a.
 - Class C: max. 1.75% p.a.
 - Class D: max. 0.90% p.a.
 - Class E: max. 1.75% p.a.
 - Class F: max. 0.90% p.a.
- In addition the Investment Manager charges transaction related fees to this Sub-Fund which are not exceeding 25 EUR per investment transaction.
- Performance Fee:

In addition, the Sub-Fund will pay for all Classes a Performance fee, payable to the Investment Manager calculated on each Valuation Date and paid on a quarterly basis, provided that the net asset value per Share before payment of the Performance Fee is higher than any previous quarter end Net Asset Value per Share (HIGHWATERMARK).

The Performance Fee will be equal to 10% of the difference between the net asset value per Share before performance fee and the previous quarter-end net asset value per Share multiplied by the quarterly average number of Shares outstanding on each Valuation Date.

If a net redemption occurs (redemptions are superior to subscriptions) on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date (crystallisation).

(More details are given in Section II Point 11. Charges and expenses)

Subscriptions

- Subscription fee:

Class A: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

Class B: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

Class C: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

Class D: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

Class E: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

Class F: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

- The shares of the Sub-Fund may be subscribed on each Valuation Day at the then prevailing net asset value.
- The minimum subscription amount for the share classes is as follows:
 - Class A: 1,000.- EUR
 - Class B: 50,000.- EUR
 - Class C: 1,000.- CHF
 - Class D: 10,000.- CHF
 - Class E: 1,000.- USD
 - Class F: 10,000.- USD

Initial Subscription

Classes A and B Shares of the Sub-Fund may initially be subscribed from 15 July 2013 until 31 July 2013 14.00 Central European Time (CET) with the 1st NAV calculated for 1 August 2013 on 2 August 2013 at the following initial subscription amounts:

- Class A: 1,000.- EUR per Share
- Class B: 50,000.- EUR per Share

Class F Shares have been launched on 25th August 2014 with the first NAV calculated on 26 August 2014 for the NAV of the 25th August 2014 at the following initial subscription amount:

- Class F: 10,000.- USD per Share

The Class C, D and E Shares of the Sub-Fund are currently dormant.

- Class C: 200,000.- CHF per Share/after the initial launching period only 1,000.- CHF per Share
- Class D: 200,000.- CHF per Share/after the initial launching period only 1,000.- CHF per Share
- Class E: 200,000.- USD per Share/after the initial launching period only 10,000.- USD per Share
- The price per Class A Shares is 1,000.- EUR.
- The price per Class B Shares is 1,000.- EUR
- The price per Class C Shares is 1,000.- CHF
- The price per Class D Shares is 1,000.- CHF
- The price per Class E Shares is 1,000.- USD
- The price per Class F Shares is 1,000.- USD

Redemptions

- Shares of the Sub-Fund may be redeemed on each Valuation Day at the then prevailing net asset value.
- Redemption fee: for all Share Classes a maximum of 2.00 % of the NAV can be charged as redemption fee to the benefit of the distributors to be appointed.

Conversions

- Shareholders of the Sub-Fund may request conversion of their Shares into another Sub-Fund on each Valuation Day. The conversion price per Share will correspond to the applicable Net Asset Value for that day.
- Conversions from the A, B, C, D, E and F Classes among themselves are not allowed.
- Conversion fee: Not applicable

Cut-off time for subscription, redemption and conversion

The cut off time for this Sub-Fund is 14.00 Central European Time (CET) each Valuation Day. All requests for subscription, redemption and conversion received after that cut-off time will be processed on the next Valuation Day.

Historical performance

- The historical performance of the Sub-Fund is represented by a chart inserted in the key investor information document.

Portfolio Turnover

- The turnover rate of the Sub-Fund, as inserted in the annual reports, was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2) / M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X+Y

Where X = Purchases of securities and Y = sale of securities

Total 2 = Total of transactions in shares of the Sub-Fund during the relevant period = S+T

Where S = Subscriptions of shares of the Sub-Fund and T = redemptions of shares of the Sub-Fund

M = Average monthly assets of the Sub-Fund.

Total Expense Ratio (“TER”)

- The TER, being the ratio of the gross amount of the expenses of the Sub-Fund to its average net assets, inserted in the annual reports includes the following expenses: the all-in-fee, the “taxe d’abonnement”, the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

MULTI STARS SICAV – Sureco US Core Equity

*This specific section describes the particularity of the Sub-Fund
MULTI STARS SICAV – Sureco US Core Equity.*

It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

This Sub-Fund is designed for investors looking for broad market exposure to a single developed stock market.

Therefore the Sub-Fund may suit investors who are looking to add a single country holding to an existing diversified portfolio or for investors looking for a stand-alone core equity investment aimed at producing long-term capital growth.

Because the Sub-Fund is invested in equities, and because of the individual economic, currency and political risks associated with single country investing, the Sub-Fund may be suitable for investors with at least a three to five year investment horizon.

Risk profile of the Sub-Fund

This Sub-Fund may enter into transactions relating to financial derivative instruments for a purpose other than hedging in compliance with what is provided under “Financial Techniques and Instruments” (see below under Section II General Provisions, 13. Investment Guidelines) and in the interest of an efficient management of its assets.

The markets in financial derivative instruments can be volatile and entail the possibility to realise gains, as well as the risk to suffer losses.

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions.
- The single market in which the Sub-Fund invests may be subject to particular political and economic risks, and as a result, the Sub-Fund may be more volatile than more broadly diversified funds.

The list of risk factors does not purport to be a complete explanation of the risks involved in shares of the Sub-Fund. It should be remembered that the net asset value of the Sub-Fund can go down as well as up. An investor may not get back the amount she/he has invested, in particular if shares are redeemed soon after they have been issued. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources.

Risk Management applicable to this Sub-Fund

The Management Company will use the commitment approach, according to CSSF Circular 11/512 and article 47 of the CSSF Regulation 10/04, for determining the global exposure risk of the Sub-Fund.

The Sub-Fund's total commitment to financial derivative instruments is limited to 100% of the Sub-Fund's total net assets, which is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage. The Sub-Fund will make use of financial derivatives instruments in a manner not to materially alter its risk profile over what would be the case if financial derivatives instruments were not used.

The Management Company will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of the Sub-Fund.

A total leverage of up to 100% over the Net Asset Value of the Sub-Fund is admissible. This percentage does not represent an additional investment restriction and may vary from time to time.

Investment Policy and Objective

The investment objective of this Sub-Fund is to offer investors the opportunity to hold their core defensive exposure of their USD based equity allocation in a portfolio of large capitalisation US companies.

The core holdings of the Sub-Fund will be companies having attractive valuation and are dominant in their respective industries, global in scope and have a long-term history of steady performance.

Cash and cash equivalents may be held on an ancillary basis. Cash may be invested in time-deposits. Investments in bonds will not be undertaken under this Sub-Fund.

The Sub-Fund may invest in financial derivative instruments such as option strategies to achieve its investment objective. Such instruments may also be used for the purposes of hedging.

The Sub-Fund invests subsequently in deposits with credit institutions and/or other eligible assets as defined under the rules set forth in chapter 13 "Investment Guidelines" of this Prospectus.

The Sub-Fund may not invest in UCITS and UCIs.

Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions in order to comply with the laws and regulations of the countries where shareholders are located.

Asset Management

- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has been designated as management company of the Fund and holds the mandate as investment manager for the Sub-Fund's assets.
- The Management Company is being advised by the Investment Advisor Sureco Investments SA—having its registered address at Chemin de la Damataire 28, CH-1009 Pully.

Distribution

PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, will delegate, under its supervision and responsibility, the distribution to authorized financial professionals.

Investments in MULTI STARS SICAV - Sureco US Core Equity

General Information

- Reference currency: USD. This is the currency in which the net asset value of the respective Sub-Fund is calculated and not the investment currency of the Sub-Fund concerned. Investments are made in those currencies which best benefit the performance of the Sub-Fund.
- Dividend Policy: This Sub-Fund will pursue an accumulation policy applicable to its launched class A.
- Valuation Day: The NAV per share is calculated daily for each day which is open for business in Luxembourg or should a day not be a business day in Luxembourg, on the next following business day.
- NAV Calculation Day: The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day.
- Shares will be issued as registered shares.
- Types of shares issued:

Class A: The Class A is expressed in USD and will not be hedged.
The Class A is an accumulating share for retail investors.

- **Service Fee:** This Sub-fund is subject to a “Service Fee” of maximum 0.30 % p.a. calculated on the average total net assets of the Sub-Fund during the month concerned which is due to pay the Depositary, the Central Administration, Domiciliation and the Management Company.

The following annual minimum fees are charged to the Sub-Fund:

- The Depositary and the Central Administration charges 35,000.- EUR.
- **Sub-Fund set up fees:** A Sub-Fund Setup Fee of 19,000,- EUR is charged to the Sub-Fund. This Sub-Fund set up fee will be written off over a period of up to five years after launch of the Sub-Fund.
- The Sub-Fund will pay in addition an Advisory Fee of 0.30 % p.a. calculated on the average total net assets of the Sub-Fund during the month concerned which is due to pay to the Investment Advisor.
- The Sub-Fund will pay in addition a Management Fee to remunerate the Investment Manager and the financial intermediaries involved in the marketing and the distribution of the Sub-Fund’s Shares, calculated on the average total net assets of the each class during the month concerned and payable monthly.
- Management Fee is as follows:

Class A: max. 0.90 %

- In addition the Investment Manager charges transaction related fees to this Sub-Fund which are not exceeding 25 EUR per investment transaction.

(More details are given in Section II Point 11. Charges and expenses)

Subscriptions

- **Subscription fee:**

Class A: A maximum of 1.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

- The shares of the Sub-Fund may be subscribed on each Valuation Day at the then prevailing net asset value.
- The price per Class A Shares is 1,000. - USD.
- The minimum subscription amount for the share classes is as follows
 - Class A: 1,000.- USD
- The minimum holding amounts are as follows
 - Class A: 1,000.- USD

Launch Dates

- The initial subscription period for the Class A lasts from the 19 August 2013 to 30 August 2013 14.00 Central European Time (CET). The first Net Asset Value of the Class A will be calculated on 3 September 2013 for the Net Asset Value of 2 September 2013. (2 September 2013 to be the first NAV date for this A share class).

Redemptions

- Shares of the Sub-Fund may be redeemed on each Valuation Day at the then prevailing net asset value.
- **Redemption fee:** A maximum of 1.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.

Conversions

- Shareholders of the Sub-Fund may request conversion of their Shares into another Sub-Fund on each day, which is open for business. The conversion price per Share will correspond to the applicable Net Asset Value for that day.
- Conversion fee: Currently it is not intended to apply a conversion fee for the Classes A this Sub-Fund.

Cut-off time for subscription, redemption and conversion

The cut off time for this Sub-Fund is 14.00 Central European Time (CET) each Valuation Day. All requests for subscription, redemption and conversion received after that cut-off time will be processed on the next Valuation Day.

Historical performance

- The historical performance of the Sub-Fund is represented by a chart inserted in the key investor information document.

Portfolio Turnover

- The turnover rate of the Sub-Fund, as inserted in the annual reports, was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2) / M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X+Y

Where X = Purchases of securities and Y = sale of securities

Total 2 = Total of transactions in shares of the Sub-Fund during the relevant period = S+T

Where S = Subscriptions of shares of the Sub-Fund and T = redemptions of shares of the Sub-Fund

M = Average monthly assets of the Sub-Fund.

Total Expense Ratio (“TER”)

- The TER, being the ratio of the gross amount of the expenses of the Sub-Fund to its average net assets, inserted in the annual reports includes the following expenses: the all-in-fee, the “taxe d’abonnement”, the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

MULTI STARS SICAV – Alexander

*This specific section describes the particularity of the Sub-Fund
MULTI STARS SICAV –Alexander*

It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

This Sub-Fund may be suitable for investors looking for a source of capital growth through exposure to a mid and large capitalisation stocks, globally.

Investors in this Sub-Fund should have at least a three to five year investment horizon.

Risk profile of the Sub-Fund

The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions.

The list of risk factors does not purport to be a complete explanation of the risks involved in shares of the Sub-Fund. It should be remembered that the net asset value of the Sub-Fund can go down as well as up. An investor may not get back the amount she/he has invested, in particular if shares are redeemed soon after they have been issued. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources.

Risk Management applicable to this Sub-Fund

The Management Company will use the commitment approach, according to CSSF Circular 11/512 and article 47 of the CSSF Regulation 10/04, for determining the global exposure risk of the Sub-Fund.

The Sub-Fund's total commitment to financial derivative instruments is limited to 100% of the Sub-Fund's total net assets, which is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage. The Sub-Fund will make use of financial derivatives instruments in a manner not to materially alter its risk profile over what would be the case if financial derivatives instruments were not used.

The Management Company will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of the Sub-Fund.

Investment Policy and Objective

The investment objective of this Sub-Fund is to achieve long term capital growth by investing in a diversified portfolio of equities of mid and/or large capitalisation companies alone or in a combination of either one of them without any geographical restriction.

The portfolio may also invest in equities different from the above up to 49% of its assets without any geographical restrictions.

The portfolio may, in accordance with the Sub Fund's investment restrictions, purchase or sell put and call options, financial futures and forward contracts on financial indices, foreign currencies and transferrable securities for hedging purpose and/or for investment/speculative purpose.

The Sub-Fund is opportunistic and it may invest up to 100% of its assets in cash, short-term money market instruments and deposits with credit institutions until suitable investment opportunities can be identified.

Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions in order to comply with the laws and regulations of the countries where shareholders are located.

Asset Management

- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has been designated as management company of the Fund and holds the mandate as investment manager for the Sub-Fund's assets.
- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has delegated, under its supervision and responsibility, its investment management duties for the Sub-Fund's assets to Pharus Management S.A. (the "Investment Manager"), based in Mendrisio and authorised and regulated in Switzerland by the FINMA having its registered address at Via Pollini 7, CH-6850 Mendrisio.

Distribution

PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, will delegate, under its supervision and responsibility, the distribution to authorized financial professionals.

Investments in MULTI STARS SICAV - Alexander

General Information

- Reference currency: EUR. This is the currency in which the net asset value of the respective Sub-Fund is calculated and not the investment currency of the Sub-Fund concerned. Investments are made in those currencies which best benefit the performance of the Sub-Fund.
- Dividend Policy: This Sub-Fund will pursue an accumulation policy.
 - Valuation Day: NAV per share is calculated daily on each Calculation Day during the calendar week.
 - NAV Calculation Day: The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day.
 - NAV Calculation Day: The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day.
- Shares will be issued as registered shares.
- Types of shares issued:

Class A: The Class A is expressed in EUR
The Class A is an accumulating share opened to all type of investors.

- Service Fee: This Sub-fund is subject to a "Service Fee" of maximum 0.30 % p.a. calculated on the average total net assets of the Sub-Fund during the month concerned which is due to pay the Depositary, the Central Administration, Domiciliation and the Management Company.

The following annual minimum fees can be charged to the Sub-Fund:

- The Depositary and the Central Administration charges 45,000.- EUR.
 - The Management Company charges 10,000. - EUR p.a.
- Sub-Fund set up fees: Notwithstanding the legal fees and auditors fees a Sub-Fund Setup Fee of 10,750.- EUR + VAT is charged to the Sub-Fund. These fees will be written off over a period of up to five years after launch of the Sub-Fund.
- The Sub-Fund will pay in addition a Management Fee to remunerate the Investment Manager and the financial intermediaries involved in the marketing and the distribution of the Sub-Fund's Shares, calculated on the average total net assets of the each class during the month concerned and payable monthly.
- Management Fee is as follows:

Class A: max 1.70 % p.a.

But at least an annual minimum fees of 30,000. - EUR p.a. is charged by the

Investment Manager to the Sub-Fund.

- In addition the Investment Manager charges transaction related fees to this Sub-Fund which are not exceeding 25 EUR per investment transaction.
- The Investment Manager will be entitled to a performance fee, calculated on each Valuation Date and paid on a quarterly basis, provided that the net asset value per Share before payment of the Performance Fee is higher than any (HIGHWATERMARK) previous year end net asset value per Share. No reset of the HIGHWATERMARK is foreseen.

The performance fee of 20% will be paid only in the case the performance of the sub-fund will be higher than 1,50% .per quarter and will be calculated on the positive excess between 1,50% and the performance reached by the sub-fund.

Performances fees are calculated using the NAV per Share, after deduction of all expenses, liabilities, and management fees (but not performance fees), and are adjusted to take account of all subscriptions and redemptions.

If redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date. (Crystallisation).

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

(More details are given in Section II Point 11. Charges and expenses)

Subscriptions

- Subscription fee:
Class A: A maximum of 1.00 % of the NAV can be charged as subscription fee to the benefit of the distributors.
- The shares of the Sub-Fund may be subscribed on each Valuation Day at the then prevailing net asset value.
- The price per Class A Shares is 1,000. – EUR
- The minimum subscription amount for the share classes is as follows
 - Class A: 1,000.- EUR
- The minimum holding amounts are as follows
 - Class A: 1,000.- EUR

Launch Dates

Classes A Shares of the Sub-Fund may initially be subscribed from the 15th of September 2014 until the 20th of October 2014 h14.00 Central European Time (CET) with the 1st NAV calculated as for the 21st October 2014 at the 22nd October 2014 for the following minimum initial subscription amount:
1,000. – EUR

Redemptions

- Shares of the Sub-Fund may be redeemed on each Valuation Day at the then prevailing net asset value.
- Redemption fee:
 - The redemption fee will be applied as follows and will be retained by the Sub-Fund.

- Up to 2% of the applicable net asset value per Share

Conversions

- Shareholders of the Sub-Fund may request conversion of their Shares into another Sub-Fund on each day, which is open for business. The conversion price per Share will correspond to the applicable Net Asset Value for that day.
- Conversion fee: Currently it is not intended to apply a conversion fee for the Classes A this Sub-Fund.

Cut-off time for subscription, redemption and conversion

The cut off time for this Sub-Fund is 14.00 Central European Time (CET) each Valuation Day. All requests for subscription, redemption and conversion received after that cut-off time will be processed on the next Valuation Day.

Historical performance

- The historical performance of the Sub-Fund is represented by a chart inserted in the key investor information document.

Portfolio Turnover

- The turnover rate of the Sub-Fund, as inserted in the annual reports, was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2) / M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X+Y

Where X = Purchases of securities and Y = sale of securities

Total 2 = Total of transactions in shares of the Sub-Fund during the relevant period = S+T

Where S = Subscriptions of shares of the Sub-Fund and T = redemptions of shares of the Sub-Fund

M = Average monthly assets of the Sub-Fund.

Total Expense Ratio (“TER”)

- The TER, being the ratio of the gross amount of the expenses of the Sub-Fund to its average net assets, inserted in the annual reports includes the following expenses: the all-in-fee, the “taxe d’abonnement”, the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

MULTI STARS SICAV – Regent Serenity Fund

*This specific section describes the particularity of the Sub-Fund
MULTI STARS SICAV –Regent Serenity Fund.*

It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

This Sub-Fund may be suitable for investors looking for a source of capital growth through exposure to a range of asset classes, globally.

Investors in this Sub-Fund should have at least a three to five year investment horizon.

Risk profile of the Sub-Fund

- The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions.
- The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. Issuers of debt securities may fail to meet payment obligations or the credit rating of debt securities may be downgraded.

The list of risk factors does not purport to be a complete explanation of the risks involved in shares of the Sub-Fund. It should be remembered that the net asset value of the Sub-Fund can go down as well as up. An investor may not get back the amount she/he has invested, in particular if shares are redeemed soon after they have been issued. Prospective investors should carefully consider whether an investment in shares is suitable for them in the light of their own circumstances and financial resources.

The Sub-Fund may invest in structured products which means your investment return is likely to be closely linked to changes in the value of the underlying assets on which the structured products are based.

In order to access restricted markets, the Sub-Fund may invest in structured products. Should the counterparty default, the value of these structured products may be nil.

Risk Management applicable to this Sub-Fund

The Management Company will use the commitment approach, according to CSSF Circular 11/512 and article 47 of the CSSF Regulation 10/04, for determining the global exposure risk of the Sub-Fund.

The Sub-Fund's total commitment to financial derivative instruments is limited to 100% of the Sub-Fund's total net assets, which is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage. The Sub-Fund will make use of financial derivatives instruments in a manner not to materially alter its risk profile over what would be the case if financial derivatives instruments were not used.

The Management Company will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of the Sub-Fund.

A total leverage of up to 25 % over the Net Asset Value of the Sub-Fund is admissible. This percentage does not represent an additional investment restriction and may vary from time to time.

Investment Policy and Objective

The investment objective of this Sub-Fund is to achieve long term capital growth by investing in a diversified portfolio of equities and/or debt securities of any kind including convertible bonds and money market instruments without any geographical restriction.

The portfolio may, in accordance with the Sub Fund's investment restrictions, purchase or sell put and call options, financial futures and forward contracts on financial indices, foreign currencies and transferrable securities for hedging purpose and/or investment/ speculative purposes.

The Sub-Fund is opportunistic and it may invest up to 100% of its assets in cash, short-term money market instruments and deposits with credit institutions and government securities until suitable investment opportunities can be identified.

This Sub-Fund may also invest up to 100% of its net asset value in Exchange Traded Funds (ETFs) and units/shares of UCITS and/or other UCIs provided that the Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the 2010 Law.

Investments in target funds might lead to a duplication of fees.

The maximum management fees of the target investment funds will be 2.00 % p.a. of the NAV.

The Sub-Fund invests subsequently other eligible assets as defined under the rules set forth in chapter 13 "Investment Guidelines" of this Prospectus.

The Sub-Fund may also invest up to 10% of its assets as far as legally permissible in structured products, such as bonds and/or other transferable securities embedding derivatives whose returns are linked to the performance of an index, of securities, of a basket of securities or an undertaking for collective investment or a UCITS or UCI.

A structured product is a type of investment that is usually manufactured by a financial institution. Structured products are designed to give investors exposure to a particular type of underlying financial asset, and therefore the return from a structured product is likely to be closely linked to the performance of the underlying asset. Structured products may be used as a way of gaining exposure to the performance of assets that would otherwise be difficult to obtain.

Structured products can be instruments, such as but not limited to notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, a financial index selected in accordance with article 9 of the grand-ducal regulation dated 8th February 2008 (the "Grand-Ducal Regulation") (including eligible financial indices on volatility, commodities, precious metals, etc), currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCITS or UCI, at all times in compliance with the Grand-Ducal Regulation.

In compliance with the Grand-Ducal Regulation, the Sub-Fund may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement.

Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions in order to comply with the laws and regulations of the countries where shareholders are located.

Asset Management

- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has been designated as management company of the Fund and holds the mandate as investment manager for the Sub-Fund's assets.

Distribution

PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, will delegate, under its supervision and responsibility, the distribution to authorized financial professionals.

Investments in MULTI STARS SICAV - Regent Serenity Fund

General Information

- Reference currency: GBP. This is the currency in which the net asset value of the respective Sub-Fund is calculated and not the investment currency of the Sub-Fund concerned. Investments are made in those currencies which best benefit the performance of the Sub-Fund.
- Dividend Policy: This Sub-Fund will pursue an accumulation policy.
 - NAV per share is calculated on Thursday of each calendar week.
 - NAV Calculation Day: The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day.
- Shares will be issued as registered shares.
- Types of shares issued:

Class A: The Class A is expressed in GBP
The Class A is an accumulating share for institutional investors.

Class B: The Class B is expressed in GBP
The Class B is an accumulating share for retail investors.

Class C: The Class C is expressed in EUR hedged against the GBP
The Class C is an accumulating share for institutional investors.

Class D: The Class D is expressed in EUR hedged against the GBP
The Class D is an accumulating share for retail investors.

- Service Fee: This Sub-fund is subject to a "Service Fee" of maximum 0.30 % p.a. calculated on the average total net assets of the Sub-Fund during the month concerned which is due to pay the Depositary, the Central Administration, Domiciliation and the Management Company.

The following annual minimum fees can be charged to the Sub-Fund:

- The Depositary and the Central Administration charges 45,000.- EUR.
 - The Management Company charges 10,000. - EUR p.a.
- Sub-Fund set up fees: Notwithstanding the legal fees and auditors fees a Sub-Fund Setup Fee of 10,750,- EUR + VAT is charged to the Sub-Fund. These fees will be written off over a period of up to five years after launch of the Sub-Fund.
- The Sub-Fund will pay in addition a Management Fee to remunerate the Investment Manager and the financial intermediaries involved in the marketing and the distribution of the Sub-Fund's Shares, calculated on the average total net assets of the each class during the month concerned and payable monthly.
- Management Fee is as follows:
 - Class A: max 1.70 % p.a.
 - Class B: max 1.70 % p.a.
 - Class C: max 1.70 % p.a.
 - Class D: max 1.70 % p.a.

But at least an annual minimum fees of 30,000. - EUR p.a. is charged by the Investment Manager to the Sub-Fund.

- In addition the Investment Manager charges transaction related fees to this Sub-Fund which are not exceeding 25 EUR per investment transaction.

- A Performance fee is paid to the Investment Manager on a quarterly basis and will be equal to 20 % of the performance of the net asset value (prior to the accrual of the performance fee) above the High Water Mark.

The High Water Mark is the higher of (i) the initial subscription price and (ii) the last net asset value as of which a performance fee was paid."

- If redemption occurs on a date other than that on which a performance fee is paid while an accrual has been made for performance fees, the performance fees for which an accrual has been made and which are attributable to the shares redeemed will be paid at the end of the period even if the accrual for performance fees is no longer made at that date. (crystallisation).

(More details are given in Section II Point 11. Charges and expenses)

Subscriptions

- Subscription fee:

Class A: A maximum of 1.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have only institutional investors as underlying investors.

Class B: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have both institutional and /or retail investors as underlying investors.

Class C: A maximum of 2.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have only institutional investors as underlying investors.

Class D: A maximum of 2.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have both institutional and /or retail investors as underlying investors.

- The shares of the Sub-Fund may be subscribed on each Valuation Day at the then prevailing net asset value.
- The price per Class A Shares is 10,000. - GBP.
- The price per Class B Shares is 10,000. - GBP.
- The price per Class C Shares is 10,000. - EUR.
- The price per Class D Shares is 10,000. - EUR.
- The minimum subscription amount for the share classes is as follows
 - Class A: 1,000.- GBP
 - Class B: 1,000.- GBP
 - Class C: 1,000.- EUR
 - Class D: 1,000.- EUR
- The minimum holding amounts are as follows
 - Class A: 1,000.- GBP
 - Class B: 1,000.- GBP
 - Class C: 1,000.- EUR
 - Class D: 1,000.- EUR

Launch Dates

- Class A has an initial subscription time from **the 6th of October 2014 until the 29th of October 2014**. 1st NAV will be the one of Thursday the 30th of October 2014 calculated Friday the 31st of October 2014.

- Class B has been launched the 29th of January 2015. The 1st NAV will be the one of the 29th of 2015 calculated the 30st of January 2015.
- Class C and D have an initial subscription time from the **04th of January 2016 until the 06th of January 2016**. 1st NAV for the classes C and D will be the one of Thursday the 7th of January 2016 calculated Friday the 8th of January 2016.

Redemptions

Shares of the Sub-Fund may be redeemed on each Valuation Day at the then prevailing net asset value.

No Redemption Fee will be applied.

Conversions

- Shareholders of the Sub-Fund may request conversion of their Shares into another Sub-Fund on each day, which is open for business. The conversion price per Share will correspond to the applicable Net Asset Value for that day.
- Conversion fee: Currently it is not intended to apply a conversion fee for the Classes A this Sub-Fund.

Cut-off time for subscription, redemption and conversion

The cut off time for this Sub-Fund is 14.00 Central European Time (CET) each Valuation Day. All requests for subscription, redemption and conversion received after that cut-off time will be processed on the next Valuation Day.

Historical performance

- The historical performance of the Sub-Fund is represented by a chart inserted in the key investor information document.

Portfolio Turnover

- The turnover rate of the Sub-Fund, as inserted in the annual reports, was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2) / M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X+Y

Where X = Purchases of securities and Y = sale of securities

Total 2 = Total of transactions in shares of the Sub-Fund during the relevant period = S+T

Where S = Subscriptions of shares of the Sub-Fund and T = redemptions of shares of the Sub-Fund

M = Average monthly assets of the Sub-Fund.

Total Expense Ratio (“TER”)

- The TER, being the ratio of the gross amount of the expenses of the Sub-Fund to its average net assets, inserted in the annual reports includes the following expenses: the all-in-fee, the “taxe d’abonnement”, the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

MULTI STARS SICAV – MegaTrend

THIS SUB FUND IS COSED until FURTHER DECISION OF THE BODRD OF DIRECTORS.

*This specific section describes the particularity of the Sub-Fund
MULTI STARS SICAV –MegaTrend.*

It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

This Sub-Fund may be suitable for investors looking to follow primarily market trends which means those trends with market movements in different investment categories above 15 %.

Investors in this Sub-Fund should have at least a five year investment horizon.

Risk profile of the Sub-Fund

The Sub Fund is a mixed fund which combines different investment categories.

The Sub-Fund has a considerable position in financial derivatives instruments in particular in options on financial indices.

The Sub-Fund invests in equity instruments, which leads to a higher volatility.

Other risks relevant to the investor

- Currency risk arises because investments by the Fund may be denominated either in euros or in foreign currencies.
- The Fund is subject to market risk, which is the risk caused by changes in the price of the investments. The Fund mitigates this risk by means of careful selection and diversification of investments.
- The value of investments in bonds made by the Sub-Fund may vary inversely with changes in interest rates. The Sub-Fund mitigates this risk by means of careful selection and diversification of investments.

The markets in financial derivative instruments can be volatile and the possibility to realise gains, as well as the risk to suffer losses, may be higher than with investments in securities.

Risk Management applicable to this Sub-Fund

The Management Company will use the VaR methodology for the risk management of this Sub-Fund. The VaR (Value-at-risk) is a risk measure that can be defined as the estimated maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

The maximum level of Value at risk of the Sub-Fund is set at 20%.

Furthermore, the leverage of the Portfolio shall be calculated using the “Sum of notionals” method, in compliance with relevant Luxembourg laws and regulation and European Securities and Market Authorities (ESMA) guidelines.

The maximum exposure is set at 800%.

The actual level of leverage of this Sub-fund may however deviate significantly from the level of leverage disclosed (i.e. strong increase or decrease). A significant increase in leverage would be experienced e.g. in times of high market volatility without any significant change in price over an extended period of time within an asset class, whilst a significant decrease in leverage could be experienced in times of low market volatility with strong trend markets.

In addition, average leverage could be surpassed if underlying markets experience strong bear trend with high volatility.

Investment Policy and Objective

The Sub-Fund is managed using a systematic investment strategy which consists of taking both long and short positions on financial derivatives instruments, in particular option contracts on financial indices, based on trend strength.

The option selection will take place through a continuous and systematic processing of data, the weighting of the selected portfolio investments results from the application of a mathematic model.

Moreover the Sub-Fund will be invested at least with 51 % of its assets in a diversified portfolio of equities including REITS and/or debt securities of any kind including convertible bonds and money market instruments without any geographical restriction.

The Sub-Fund may invest in stocks of listed real estate companies, close-ended REITS, considered as transferable securities according to the Grand-Ducal Regulation of February 8, 2008, and in open-ended REITS.

Investment in MBS and ABS are allowed only indirectly, through UCITS and/or UCIs, including ETFs.

The Sub-Fund may invest up to 80% of its assets in equity securities and up to 50% in debt securities of any kind as described above.

The Sub-Fund is opportunistic and it may invest up to 100% of its assets in cash and short term money market instruments and deposits with credit institutions and government securities until suitable investment opportunities can be identified.

This Sub-Fund may also invest up to 10% of its net asset value in Exchange Traded Funds (ETFs) and units/shares of UCITS and/or other UCIs provided that the Sub-Fund shall not be charged for subscription or redemption fees on account of its investments in such UCITS and other UCIs, for which PHARUS MANAGEMENT LUX S.A. acts as management company nor is linked to such UCITS/UCIs management company within the meaning of article 46(3) of the 2010 Law.

Investments in target funds might lead to a duplication of fees.

The maximum management fees of the target investment funds will be 2.00 % p.a. of the NAV.

The portfolio may, in accordance with the Sub Fund's investment restrictions, purchase or sell put and call options, financial futures and forward contracts on financial indices, foreign currencies and transferable securities for hedging purpose and/or investment/ speculative purposes.

The Sub-Fund invests subsequently other eligible assets as defined under the rules set forth in chapter 13 "Investment Guidelines" of this Prospectus.

Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions in order to comply with the laws and regulations of the countries where shareholders are located.

Asset Management

- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has been designated as management company of the Fund and holds the mandate as investment manager for the Sub-Fund's assets.
- PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, has delegated, under its supervision and responsibility, its investment management duties for the Sub-Fund's assets to Pharus Management S.A. (the "Investment Manager"), based in Mendrisio and authorised and regulated in Switzerland by the FINMA having its registered address at Via Pollini 7, CH-6850 Mendrisio.

Distribution

PHARUS MANAGEMENT LUX S.A. 16, avenue de la Gare L-1610 Luxembourg, will delegate, under its supervision and responsibility, the distribution to authorized financial professionals.

Investments in MULTI STARS SICAV – *MegaTrend*

General Information

- Reference currency: EUR. This is the currency in which the net asset value of the respective Sub-Fund is calculated and not the investment currency of the Sub-Fund concerned. Investments are made in those currencies which best benefit the performance of the Sub-Fund.
- Dividend Policy: This Sub-Fund will pursue an accumulation policy.
 - NAV per share is calculated daily on each Calculation Day during the calendar week.
 - NAV Calculation Day: The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day.
- Shares will be issued as registered shares.
- Types of shares issued:

Class A:	The Class A is expressed in EUR The Class A is an accumulating share for retail investors.
Class B:	The Class B is expressed in EUR The Class B is an accumulating share for institutional investors.
Class C:	The Class C is expressed in CHF and will be hedged against EUR The Class C is an accumulating share for retail investors.
Class D:	The Class D is expressed in CHF and will be hedged against EUR The Class D is an accumulating share for institutional investors.
Class E:	The Class E is expressed in USD and will be hedged against EUR The Class E is an accumulating share for retail investors.
Class F:	The Class F is expressed in USD and will be hedged against EUR The Class F is an accumulating share for institutional investors.
- Service Fee: This Sub-fund is subject to a "Service Fee" of maximum 0.30% p.a. calculated on the average total net assets of the Sub-Fund during the month concerned which is due to pay the Depositary, the Central Administration, Domiciliation and the Management Company.

The following annual minimum fees can be charged to the Sub-Fund:

- The Depositary and the Central Administration charges 40,000.- EUR for the 1st year after the Sub-Fund launch and 48.000.- EUR thereafter.
- The Management Company charges 10,000. - EUR p.a.

- Sub-Fund set up fees: Notwithstanding the legal fees and auditors fees a Sub-Fund Setup Fee of 10,750,- EUR + VAT is charged to the Sub-Fund. These fees will be written off over a period of up to five years after launch of the Sub-Fund.
- The Sub-Fund will pay in addition a Management Fee to remunerate the Investment Manager and the financial intermediaries involved in the marketing and the distribution of the Sub-Fund's Shares, calculated on the average total net assets of the each class during the month concerned and payable monthly.
- Management Fee is as follows:
 - Class A: max 1.50 % p.a.
 - Class B: max 1.00 % p.a.
 - Class C: max 1.50 % p.a.
 - Class D: max 1.00 % p.a.
 - Class E: max 1.50 % p.a.
 - Class F: max 1.00 % p.a.
- In addition the Investment Manager charges transaction related fees to this Sub-Fund which are not exceeding 25 EUR per investment transaction.
- For the classes A, C and E a Performance fee is paid to the Investment Manager on a quarterly basis and will be equal to 15 % of the performance of the net asset value (prior to the accrual of the performance fee) above the High Water Mark.

The High Water Mark is the higher of (i) the initial subscription price and (ii) the last net asset value as of which a performance fee was paid."

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

- For the classes B, D and F a Performance fee is paid to the Investment Manager on a quarterly basis and will be equal to 7.5 % of the performance of the net asset value (prior to the accrual of the performance fee) above the High Water Mark.

The High Water Mark is the higher of (i) the initial subscription price and (ii) the last net asset value as of which a performance fee was paid."

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

(More details are given in Section II Point 11. Charges and expenses)

Subscriptions

- Subscription fee:

Class A: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have both institutional and /or retail investors as underlying investors.

Class B: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have only institutional investors as underlying investors-

Class C: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have both institutional and /or retail investors as underlying investors.

Class D: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have only institutional investors as underlying investors.

Class E: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have both institutional and /or retail investors as underlying investors.

Class F: A maximum of 3.00 % of the NAV can be charged as subscription fee to the benefit of the distributors all investing on a nominee basis and which have only institutional investors as underlying investors.

- The shares of the Sub-Fund may be subscribed on each Valuation Day at the then prevailing net asset value.

- The price per Class A Shares is 100. - EUR.
- The price per Class B Shares is 100. - EUR.
- The price per Class C Shares is 100. - CHF.
- The price per Class D Shares is 100. - CHF
- The price per Class E Shares is 100. - USD.
- The price per Class F Shares is 100. - USD.

- The minimum subscription amount for the share classes is as follows
 - Class A: 1,000.- EUR
 - Class B: 100.000- EUR
 - Class C: 1,000.- CHF
 - Class D: 100.000- CHF
 - Class E: 1,000.- USD
 - Class F: 100.000- USD

- The minimum holding amounts are as follows
 - Class A: 1,000.- EUR
 - Class B: 100.000- EUR
 - Class C: 1,000.- CHF
 - Class D: 100.000- CHF
 - Class E: 1,000.- USD
 - Class F: 100.000- USD

Launch Dates

Class A, B, have an initial subscription time from **the 14th of December 2015 until the 8th April 2016.** 1st NAV will be the one of April the 11th of 2016 calculated April the 12th 2016.

The classes C, D, E and F are not launched yet and will be launched at a later stage upon decision of the Board of Directors

Redemptions

- Shares of the Sub-Fund may be redeemed on each Valuation Day at the then prevailing net asset value.
- Redemption fee: The redemption fee will be applied as follows:

Class A: A maximum of 2.00 % of the NAV can be charged as redemption fee to the benefit of the distributors all investing on a nominee basis and which have both institutional and/or retail investors as underlying investors.

Class B: A maximum of 2.00 % of the NAV can be charged as redemption fee to the benefit of the distributors all investing on a nominee basis and which have only institutional investors as underlying investors.

Class C: A maximum of 2.00 % of the NAV can be charged as redemption fee to the benefit of the distributors all investing on a nominee basis and which have both institutional and/or retail investors as underlying investors.

Class D: A maximum of 2.00 % of the NAV can be charged as redemption fee to the benefit of the distributors all investing on a nominee basis and which have only institutional investors as underlying investors.

Class E: A maximum of 2.00 % of the NAV can be charged as redemption fee to the benefit of the distributors all investing on a nominee basis and which have both institutional and/or retail investors as underlying investors.

Class F: A maximum of 2.00 % of the NAV can be charged as redemption fee to the benefit of the distributors all investing on a nominee basis and which have only institutional investors as underlying investors.

Conversions

- Shareholders of the Sub-Fund may request conversion of their Shares into another Sub-Fund on each day, which is open for business. The conversion price per Share will correspond to the applicable Net Asset Value for that day.
- Conversion fee: Currently it is not intended to apply a conversion fee for the Classes A, B, C, D, E, F of this Sub-Fund.

Cut-off time for subscription, redemption and conversion

The cut off time for this Sub-Fund is 2 pm Central European Time (CET) each Valuation Day. All requests for subscription, redemption and conversion received after that cut-off time will be processed on the next Valuation Day.

Historical performance

- The historical performance of the Sub-Fund is represented by a chart inserted in the key investor information document.

Portfolio Turnover

- The turnover rate of the Sub-Fund, as inserted in the annual reports, was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2) / M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X+Y

Where X = Purchases of securities and Y = sale of securities

Total 2 = Total of transactions in shares of the Sub-Fund during the relevant period = S+T

Where S = Subscriptions of shares of the Sub-Fund and T = redemptions of shares of the Sub-Fund

M = Average monthly assets of the Sub-Fund.

Total Expense Ratio (“TER”)

- The TER, being the ratio of the gross amount of the expenses of the Sub-Fund to its average net assets, inserted in the annual reports includes the following expenses: the all-in-fee, the “taxe d’abonnement”, the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

SECTION II: GENERAL PROVISIONS

MANAGEMENT AND ADMINISTRATION

Registered Office: 33A, avenue J.F. Kennedy
L-1855 Luxembourg

Board of Directors:

Chairman: Mr. Davide Pasquali
Director
Pharus Management S.A.
Via Pollini, 7
CH-6850 – Mendrisio (Switzerland)

Directors: Mrs Lidia Palumbo
PHARUS MANAGEMENT LUX S.A.
16, avenue de la Gare
L-1610 Luxembourg

Mr. Martin Rausch
PHARUS MANAGEMENT LUX S.A.
16, avenue de la Gare
L-1610 Luxembourg

Management Company: PHARUS MANAGEMENT LUX S.A.
16, avenue de la Gare
L-1610 Luxembourg

**Board of Directors of the
Management Company:**

Chairman: Mr. Davide Berra
Pharus Management S.A.,
Via Pollini, 7
CH-6850 – Mendrisio (Switzerland)

Directors: Mr. Davide Pasquali
Pharus Management S.A.,
Via Pollini, 7
CH-6850 – Mendrisio (Switzerland)

Mrs. Lidia Palumbo
PHARUS MANAGEMENT LUX S.A.
16, avenue de la Gare
L-1610 Luxembourg

Day-to-Day Managers of the Management Company:

Mrs. Lidia Palumbo
PHARUS MANAGEMENT LUX S.A.
16, avenue de la Gare
L-1610 Luxembourg

Mr. Denis Guolo
PHARUS MANAGEMENT LUX S.A.
16, avenue de la Gare
L-1610 Luxembourg

Mr. Martin Rausch
Pharus Management LUX S.A.
16, avenue de la Gare
L-1610 Luxembourg

Mrs Francoise Gozzo
Pharus Management LUX S.A.
16, avenue de la Gare
L-1610 Luxembourg

Depository and main Paying Agent:

UBS (Luxembourg) S.A.
33A, avenue J.F. Kennedy
L-1855 Luxembourg

As from 1 December 2016:
UBS Europe SE, Luxembourg Branch
33A, avenue J.F. Kennedy
L-1855 Luxembourg

Principal Distributor:

PHARUS MANAGEMENT LUX S.A.
16, avenue de la Gare
L-1610 Luxembourg

**Central Administration
Domiciliation Registrar and
Transfer Agent:**

UBS Fund Services (Luxembourg) S.A.
33A, avenue J.F. Kennedy
L-1855 Luxembourg

Auditor:

Deloitte S.A.
560, rue de Neudorf
L-2220 Luxembourg

**Investment Manager
of all Sub-Funds
under this Umbrella Fund
with the exception of**

MULTI STARS SICAV –AL-
FA Dynamic

MULTI STARS SICAV –
Cefisa Relative Strength
European Equity

MULTI STARS SICAV -
Cefisa Relative Strength
Global Asset Allocation

MULTI STARS SICAV -
Regent Serenity Fund

Investment Manager of

MULTI STARS SICAV –AL- Pharus Management S.A.
FA Dynamic Via Pollini 7
: CH- 6850 Mendrisio

**Investment Advisor to
Management Company:**

Valeur Asset Management SA
Boulevard Joseph II 43
L-1840 Luxembourg

MULTI STARS SICAV – Cefisa Relative Strength European Equity
CEFISA Associés S.A.
Rue du Mont de Sion 10,
CH 1211 Geneva- Switzerland

MULTI STARS SICAV - Cefisa Relative Strength Global Asset Allocation
CEFISA Associés S.A.
Rue du Mont de Sion 10,
CH 1211 Geneva- Switzerland

MULTI STARS SICAV – Sureco US Core Equity
SURECO Investments S.A.
Chemin de la Damataire 28,
CH- 1009 Pully

THE FUND

STRUCTURE OF THE FUND

MULTI STARS SICAV is an investment company qualifying as a "société d'investissement à capital variable" (SICAV) and set up as an Umbrella Fund with the possibility to launch multiple Sub-Funds under the laws of the Grand Duchy of Luxembourg, which envisages to invest in transferable securities and in other liquid financial assets referred to in article 41, paragraph (1) of the 2010 Law, in accordance with the investment policy of each particular Sub-Fund. The Fund complies with the requirements of the UCITS Directive 2009/65/EC.

MULTI STARS SICAV is characterised by an "umbrella construction" which comprises several specific pool of assets known as "Sub-Funds" for each of which various classes of shares may be issued. Such shares shall hereinafter also be called "Sub-Fund shares".

The entirety of the Sub-Funds' net assets forms the total net assets of the Fund, which at any time correspond to the share capital of the Fund and consist of fully paid in and non-par-value shares (the "shares").

At general meetings, the shareholder has the right to one vote per share held, irrespective of the difference in value of shares in the respective Sub-Funds. Shares of a particular Sub-Fund carry the right of one vote per share held when voting at meetings affecting this Sub-Fund.

The Fund is a single legal entity and the assets of a particular Sub-Fund are only applicable to the debts, engagements and obligations of that Sub-Fund. In respect of the relationship between the shareholders, each Sub-Fund is treated as a separate entity. The Fund is unlimited with regard to duration and total assets.

PHARUS MANAGEMENT LUX S.A., a chapter 15 management company and having its registered office at 16, avenue de la Gare L-1610 Luxembourg, has been appointed to act as the management company of the Fund (the "Management Company").

For this purpose, a Management Company Services Agreement (the "Agreement") was signed between the Fund and the Management Company on 1 March 2014, for an unlimited term from the date of signing of the Agreement. Either party may terminate the Agreement at any time by registered letter with acknowledgement of receipt addressed to the other party.

Under the term of the Agreement, the Management Company is responsible for the management, the administration and the distribution of the Fund's assets but is allowed to delegate, under its supervision and control, all or part of these duties to third parties. In case of changes or appointment of additional third parties, the prospectus will be updated accordingly.

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

Besides managing the Company, the Management Company currently manages additional undertakings for collective investments, the list of which can be obtained from the Management Company.

Remuneration policy of the Management Company

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

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

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

Due to the Management Company's remuneration policy it is ensured the fixed and variable components of total remuneration are appropriately balanced and the fixed remuneration component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable components, including the possibility to pay no variable remuneration component.

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

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

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

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

LEGAL ASPECTS

MULTI STARS SICAV was incorporated on 17 July 2012 as an open-ended investment company under Luxembourg law in the legal form of a share company (société anonyme) having the status of an investment company with variable capital (Société d'investissement à capital variable) in accordance with Part I of the 2010 Law. The Fund is entered under No. B 170.371 in the Luxembourg Commercial Register.

The Articles were published in the "Mémorial" on 31 July 2012, and were deposited together with the legal notice concerning the issue of the Fund's shares at the Commercial and Company Register of the District Court of Luxembourg. Any amendment must be published in the "Mémorial". Such amendments become legally binding in respect of all shareholders subsequent to their approval by the general meeting of shareholders.

The Fund's accounts are audited by Deloitte S.A., 560, rue de Neudorf, Luxembourg L-2220 Luxembourg.

The ordinary general meeting shall be held each year on the 15th day of April at 11.30 hours a.m. at the registered office of the Fund or at any address specified in the notice of meeting. If the 15th day of April happens to be a holiday, the ordinary general meeting shall be held on the next following business day.

The financial year of the Fund ends the last day of December (the 31st of December).

The first audited annual report of the Fund will be as the 31st of December 2013 and the first unaudited semi-annual report of the Fund will be done the 30th June 2013.

An unaudited interim report will be prepared for the 31st of December 2012.

The Board reserves the right to, at any point in time, launch new Sub-Funds. The offering memorandum and investment policy of such Sub-Funds are to be communicated through a revised Prospectus. In compliance with the regulations laid down in "Liquidation and merging of the Fund and its Sub-Funds", the Board reserves the right to liquidate or to merge certain Sub-Funds.

Variations in the capital of the Fund can take place without further consideration or enquiry and without the need for publication or registration in the Register of Commerce. The minimum capital required is EUR

1.250.000. This minimum has to be reached within a time frame of six months after the registration of the Fund on the official list of undertakings for collective investment.

INVESTMENT OBJECTIVES AND POLICY

The purpose of the Fund is to provide investors with an opportunity for investment in all types of transferable securities and / or in other liquid financial assets referred to in article 41, paragraph (1) of the 2010 Law through professionally managed Sub-Funds, each with their own specific investment objectives and policies as more fully described in Section I, in order to achieve a high regular income or a maximum capital appreciation, while giving ultimate consideration to capital security and Sub-Fund liquidity.

INVESTMENTS IN MULTI STARS SICAV

NET ASSET VALUE

Unless otherwise described under Section I, the net asset value per share of the individual Sub-Funds is calculated for each day which is open for business in Luxembourg by the Administration Agent (hereinafter called "Business Day").

Valuation Day" is a Business Day other than, in relation to a Sub-Fund's investments, a day on which any exchange or market on which a substantial portion of the relevant Sub-Fund's investments is traded, is closed.

When dealings on any such exchange or market are restricted or suspended, the Board may, in consideration of prevailing market conditions or other relevant factors, determine whether a Business Day shall be a Valuation Day or non-valuation day.

Requests for issue, redemption, transfer and switching of Shares of any Share Class are accepted by the Fund in Luxembourg on any Valuation Day of the relevant Sub-Fund. A list of expected non-dealing days is available from the Central Administration of the Fund on request.

In this context, such "business day refers to the normal bank business day (i.e. each day on which banks are open during normal hours) in Luxembourg, with the exception of individual, non-statutory rest days. Non-statutory rest days are days on which individual banks and financial institutions are closed.

The net asset value of each Sub-Fund is equal to the total assets of that Sub-Fund less its liabilities.

The net asset value of each Sub-Fund will be expressed in the currency of the relevant Sub-Fund as further described under Section I (except when there exists any state of affairs which, in the opinion of the Board, makes the determination in the currency of the relevant Sub-Fund either not reasonably practical or prejudicial to the shareholders, the net asset value may temporarily be determined in such other currency as the Board may determine) and shall be determined in respect of any Valuation Day by dividing the total net assets of the Sub-Fund by the number of its shares then outstanding.

The net asset value per share of the individual Sub-Funds is calculated on the basis of the last known prices for each day, which is open for business in Luxembourg, unless otherwise described under Section I.

The NAV is calculated for the Valuation Day one Luxembourg business day after the Valuation Day for the respective Valuation Day (hereinafter called "NAV Calculation Day").

The total net assets of the Fund are expressed in EUR and correspond to the difference between the total assets of the Fund and its total liabilities. For the purpose of this calculation, the net assets of each Sub-Fund, if they are not denominated in EUR, are converted into EUR and added together.

Without prejudice to the regulations of each Sub-Fund, the Valuation of each Sub-Fund and of each of the different share classes follows the criteria below:

a) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

b) Securities, derivatives and other investments listed on an official stock exchange are valued at the last known market prices. If the same security, derivative or other investment is quoted on several stock

exchanges, the last available quotation on the stock exchange that represents the major market for this investment will apply.

In the case of securities, derivatives and other investments where trading of these assets on the stock exchange is thin but which are traded between securities dealers on a secondary market using standard market price formation methods, the Fund can use the prices on this secondary market as the basis for the valuation of these securities, derivatives and other investments. Securities, derivatives and other investments that are not listed on a stock exchange, but that are traded on another regulated market which is recognised, open to the public and operates regularly, in a due and orderly fashion, are valued at the last available price on this market.

c) Securities and other investments that are not listed on a stock exchange or traded on any other regulated market, and for which no reliable and appropriate price can be obtained, will be valued by the Fund according to other principles chosen by it in good faith on the basis of the likely sales prices.

d) The valuation of derivatives that are not listed on a stock exchange (OTC derivatives) is made by reference to independent pricing sources. In case only one independent pricing source of a derivative is available, the plausibility of the valuation price obtained will be verified by employing methods of calculation recognised by the Board and the auditors, based on the market value of the underlying instrument from which the derivative has been derived.

e) Units or shares of other undertakings for collective investment in transferable securities ("UCITS") and/or undertakings for collective investment ("UCI") will be valued at their last net asset value. Certain units or shares of other UCITS and/or UCI may be valued based on an estimate of the value provided by a reliable price provider independent from the target fund's investment manager or investment adviser (Estimated Pricing).

f) For money market instruments, the valuation price will be gradually adjusted to the redemption price, based on the net acquisition price and retaining the ensuing yield. In the event of a significant change in market conditions, the basis for the valuation of different investments will be brought into line with the new market yields.

For Sub-Funds that predominantly invest in money market instruments,

- securities with a residual maturity of less than 12 months are valued in accordance with the ESMA guidelines for money market instruments;
- interest income earned by Sub-Funds up to and including the second valuation date following the

Valuation Day concerned is included in the valuation of the assets of the Sub-Funds concerned. The asset value per share on a given valuation date therefore includes projected interest earnings as at two Valuation Dates hence.

g) Securities, money market instruments, derivatives and other investments that are denominated in a currency other than the currency of account of the relevant Sub-Fund and which are not hedged by means of currency transactions are valued at the middle currency rate (midway between the bid and offer rate) obtained from external price providers.

h) Time deposits and fiduciary investments are valued at their nominal value plus accumulated interest.

i) The value of swap transactions is calculated by external service provider to the swap transaction and a second independent valuation is made available by another external service provider. The calculation is based on the net present value of all cash flows, both inflows and outflows. In some specific cases, internal calculations based on models and market data available from Bloomberg and/or broker statement valuations may be used. The valuation methods depend on the respective security and are determined pursuant to the UBS Global Valuation Policy based on market value. This valuation method is recognised by the Board and is audited by the Fund's auditor.

The Fund is entitled to apply other appropriate valuation principles which have been determined by it in good faith and are generally accepted and verifiable by auditors to the Fund's assets as a whole or of an individual Sub-Fund if the above criteria are deemed impossible or inappropriate for accurately determining the value of the Sub-Funds concerned due to extraordinary circumstances or events.

The Fund will undertake the allocation of assets and liabilities to the Sub-Funds, and the share classes, as follows:

- a) If several share classes have been issued for a Sub-Fund, all of the assets relating to each share class will be invested in accordance with the investment policy of that Sub-Fund.
- b) The value of shares issued in each share class will be allocated in the books of the Fund to the Sub-Fund of this share class; the portion of the share class to be issued in the net assets of the relevant Sub-Fund will rise by this amount; receivables, liabilities, income and expenses allocable to this share class will be allocated in accordance with the provisions of this Section to this Sub-Fund.
- c) Derivative assets will be allocated in the books of the Fund to the same Sub-Fund as the assets from which the related derivative assets have been derived and, with each revaluation of an asset, the increase or reduction in value will be allocated to the relevant Sub-Fund.
- d) Liabilities in connection with an asset belonging to a particular Sub-Fund resulting from action in connection with this Sub-Fund will be allocated to this Sub-Fund.

If one of the Fund's assets or liabilities cannot be allocated to a particular Sub-Fund, such receivables or liabilities will be allocated to all of the Sub-Funds pro rata to the respective net asset value of the Sub-Funds, or on the basis of the net asset value of all share classes in the Sub-Fund, in accordance with the determination made in good faith by the Board. The assets of a Sub-Fund can only be used to offset the liabilities which the Sub-Fund concerned has assumed.

- f) Distributions to the shareholders in a Sub-Fund or a share class reduce the net asset value of this Sub-Fund or of this share class by the amount of the distribution.

For the purposes of this Section, the following terms and conditions apply:

- a) Shares of the Fund to be redeemed under Articles 8 and 9 of the Articles of Incorporation shall be treated as existing shares in circulation and taken into account until immediately after the time on the Valuation Date on which such valuation is made, as determined by the Board. From such time and until paid by the Fund, the redemption price shall be deemed to be a liability of the Fund;
- b) Shares count as issued from the time of their valuation on the relevant Valuation Date on which such valuation is made, as determined by the Board. From such time and until payment received by the Fund, the issue price shall be deemed to be a debt due to the Fund;
- c) Investment assets, cash and any other assets handled in a currency other than that in which the net asset value is denominated will be valued on the basis of the market and foreign exchange rates prevailing at the time of valuation.
- d) If on any Valuation Day the Fund has contracted to:
 - purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of the Fund and the value of the asset to be acquired shall be shown as an asset of the Fund;
 - sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of the Fund and the asset to be delivered shall not be included in the assets of the Fund;
 - provided however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Date, then its value shall be estimated by the Fund.

The net assets of the Fund are at any time equal to the total of the net assets of the various Sub-Funds.

The value of all assets and liabilities not expressed in the reference currency of a Sub-Fund will be converted into the reference currency of such Sub-Fund at the rate of exchange determined on the relevant Valuation Day in good faith by or under procedures established by the Board. The Board, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

ISSUE AND CONVERSION OF SHARES

Unless otherwise stated in Section I, the Board is authorised without limitation to allot and issue shares of any Sub-Fund. The Board is also authorised to fix a minimum subscription, redemption and conversion level, as well as a minimum holding for each Sub-Fund.

Subscriptions can be made for a number of shares or an amount of money, conversions and redemptions can only be made for a number of shares. The minimum initial and subsequent investment and minimum holding requirements, if any, are disclosed for each Sub-Fund under Section I.

The shares will be issued as non-certificated registered or bearer shares. Fractional entitlements to a share will be recognised to three decimal places. Upon request and against payment by the shareholder of all incurred expenses, share certificates may be issued in physical form. The Board reserves the right to issue share certificates in denominations of 1 or more shares, however fractions of shares, will not be issued in certificate form. Such fractional shares shall not be entitled to vote but shall be entitled to participate in the net assets of the Fund respective the net proceeds from the termination of a Sub-Fund on a pro rata basis.

Subscription fees are disclosed for each Sub-Fund under Section I.

Investors are informed that the Board is entitled to take adequate measure in order to prevent practices known as “Market-Timing” in relation to investments in the Fund. The Board will also ensure that the relevant cut-off time for requests for subscription, redemption and conversion are strictly complied with and will therefore take adequate measures to prevent practices known as “Late Trading”. In the event of recourse to distributors, the Board will ensure that the distributor duly complies with the relevant cut-off-time.

The Board is entitled to reject requests for subscription and conversion in the event that it has knowledge or suspicions of the existence of such practices. In addition, the Board is authorized to take any further measures deemed appropriate to prevent the above mentioned practices, without prejudice however to the provisions under Luxembourg law.

Initial subscription

Details on the initial subscription period and prices of the shares for each Sub-Fund are described under Section I.

Subsequent subscription

After the closing of the initial offering period, shares will be issued at a price corresponding to the net asset value per share, plus a potential subscription fee to be determined for each Sub-Fund by reference to the net Asset Value (and as described under Section I). Any taxes, commissions and other fees incurred in the respective countries in which Fund shares are sold will also be charged.

Subscription Procedures

All subscriptions and redemption and conversion requests must be addressed to the distributor(s), as described for each Sub-Fund under Section I, or may be presented directly to the Fund. The distributor(s) may appoint further distributors based in a Member State of the Financial Action Task Force on Money Laundering (FATF).

Duly completed and signed applications received by the Fund before 2 pm Central European time (= cut-off-time) on a Valuation Day shall be settled at the issue price calculated for that Valuation Day.

Requests received after this cut-off-time will take effect on the following Valuation Day.

Applications shall be submitted for payment in the reference currency as defined for each Sub-Fund under Section I. The issue price is calculated in the relevant reference currency as defined for each Sub-Fund under Section I.

Payment must be received by the Depositary of the Fund at the latest three business days in Luxembourg after the Valuation Day.

Distributors and sales agents of Fund units must respect the rules set out by the Luxembourg law regarding the prevention of money laundering and combat of terrorism financing in particular the law of 12 November 2004 as amended from time as well as Règlement Grand-ducal of 1 February 2010 and the CSSF Regulation N° 12-02 dated 14 December 2012.

The Fund at its discretion may accept subscriptions in kind, in whole or in part. However in this case the investments in kind must be in accordance with the respective Sub-Fund's investment policy and restrictions. In addition these investments will be audited by the Fund's appointed auditor. The related fees will be borne by the Investor.

Amongst others, subscribers must establish their identity with the distributors or the sales agent which collects their subscription. The distributors or the sales agent must request from subscribers the following identification documents: for individuals, certified copy of passport / identity card (certified by the distributors or the sales agent or by the local public authority); for corporations or other legal entities, certified copy of articles of incorporation, certified copy of Register of Commerce, copy of the latest annual accounts published, full identification of the beneficial owner, i.e. final shareholder.

Distributors must make sure that the sales agents are strictly observing the above identification procedure. UBS Fund Services (Luxembourg) S.A. and the Fund may at any time request assurance for compliance from the distributors. UBS Fund Services (Luxembourg) S.A. controls the observance of the above mentioned rules for any subscription / redemption requests it receives from distributors or sales agents .

In addition, distributor and its appointed sales agents must also respect all rules regarding the prevention of money laundering in force in their respective country.

Without prejudice to the above, the Fund reserves the right to (a) refuse any request for subscription,

(b) issue only new shares if in the interest of the existing shareholders and (c) repurchase outstanding shares held by investors who are not authorised to either buy or hold shares of the Fund.

The shares will be transferred to the investors concerned without delay upon payment of the full purchase price. They may be credited to the securities account of the shareholder's choice. Fractions will be issued.

The Fund may, in the course of its sales activities and at its discretion, cease issuing shares, refuse purchase applications and suspend or limit the sale of shares for specific periods or permanently to individuals or corporate bodies in particular countries or areas. The Fund may also at any time reclaim shares from shareholders who are excluded from the acquisition or ownership of Fund shares.

Conversion of Shares

Unless otherwise provided for each Sub-Fund under Section I, the shareholder of a Sub-Fund may convert some or all of his shares into shares of another Sub-Fund up to the countervalue of the shares presented for conversion, provided that the issue of shares by this Sub-Fund has not, been suspended.

The Fund calculates the number of shares to be allotted after conversion using the following formula:

$$A = [(B \times C) \times F] / (D + E)$$

- A = Number of the shares of the new Sub-Fund to be issued
- B = Number of shares of the existing Sub-Fund
- C = Net asset value per share of the existing Sub-Fund less any taxes, commissions or other fees
- D = Net Asset Value per share of the new Sub-Fund plus any taxes, commissions or other fees
- E = conversion fee, if any (as further described for each Sub-Fund in Section I)
- F = exchange rate of the reference currencies of the two SUB-FUNDS

The shareholder can request such a conversion by written conversion application indicating the number of shares and the Sub-Fund to be converted in.

The shares which have been converted shall be cancelled.

REDEMPTION OF SHARES

Applications for redemption must be received by the Fund before 2 pm Central European Time on the Valuation Day.

They shall be settled at the redemption price calculated for that Valuation Day and shall be submitted for payment in the reference currency as defined for each Sub-Fund under Section I.

All redemption requests received by the Fund after the cut-off-time mentioned above will be settled at the redemption price calculated on the next Valuation Day.

The redemption price is based on the net asset value per share. Any taxes, commissions and other fees incurred in the respective countries in which Fund shares are sold will be charged. Since provision must be made for an adequate supply of liquidity in the Fund's assets, payment for Fund shares is effected under normal circumstances within three Luxembourg business days after the valuation day of the redemption price unless legal provisions, such as foreign exchange controls or restrictions on capital movements, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.

On payment of the redemption price, the corresponding Sub-Fund's share ceases to be valid.

The Sub-Fund may at the discretion of the Board of Director at the request of the investor accept redemptions in kind. In addition, these redemptions (1) must not have negative effect for the remaining investors and (2) will be audited by the Fund's appointed auditor. Redemptions in kind need to be agreed by the concerned investor.

The related fees will be borne by the Investor.

The Board of the Fund can decide to compulsory redeem investor's shares if it determines that the shares in the Sub-Fund are held by prohibited investors.

DEFERRAL OF CONVERSION AND REDEMPTION OF SHARES

In cases when on any Valuation Day redemption requests and conversion requests relate to more than 10% of the Shares in issue in a specific Sub-Fund or in case of a strong volatility of the market or markets on which a specific Sub-Fund is investing, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred proportionally for such period as the Board of Directors considers to be in the best interests of the Sub-Fund, but normally not exceeding 30 days. On the next Valuation Day following such period, these redemption and conversion requests will be met in priority to later requests.

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

The Fund may temporarily suspend calculation of the net asset value and hence the issue, conversion and redemption of shares for one or more Sub-Funds:

- a) during any period when any of the stock exchanges or other markets on which the valuation of a significant and substantial part of any of the investments of the Fund attributable to such Sub-Fund from time to time is based, or any of the foreign-exchange markets in whose currency the net asset value any of the investments of the Fund attributable to such Sub-Fund from time to time or a significant portion of them is denominated, are closed – except on customary bank holidays – or during which trading and dealing on any such market is suspended or restricted or if such markets are temporarily exposed to severe fluctuations, provided that such restriction or suspension affects the valuation of the investments of the Fund attributable to such Sub-Fund quoted thereon;
- b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board as a result of which disposal or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable;
- c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund;

d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of shares of such Sub-Fund, or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of shares cannot, in the opinion of the Board, be effected at normal rates of exchange;

e) if political, economic, military or other circumstances beyond the control or influence of the Fund make it impossible to access the Fund's assets under normal conditions without seriously harming the interests of the shareholders;

f) when for any other reason, the prices of any investments owned by the Fund attributable to such Sub-Fund, cannot promptly or accurately be ascertained;

g) upon the publication of a notice convening a general meeting of shareholders for the purpose of the liquidation of the Fund;

h) to the extent that such suspension is justified by the necessity to protect the shareholders, upon publication of a notice convening a general meeting of shareholders for the purpose of the merger of the Fund or one or more of its Sub-Funds, or upon publication of a notice informing the shareholders of the decision of the Board to merge one or more Sub-Fund(s);

i) when restrictions on foreign exchange transactions or other transfers of assets render the execution of the Fund's transactions impossible; or

k) in case of a feeder Sub-Fund, when the master UCITS temporarily suspends, on its own initiative or at the request of its competent authorities, the redemption, the reimbursement or the subscription of its units; in such a case the suspension of the calculation of the net asset value at the level of the feeder Sub-Fund will be for a duration identical to the duration of the suspension of the calculation of the net asset value at the level of the master UCITS.

The suspension of the calculation of the net asset value of any particular Sub-Fund shall have no effect on the determination of the net asset value per share or on the issue, redemption and conversion of shares of any Sub-Fund that is not suspended.

Any such suspension of the net asset value will be notified to investors having made an application for subscription, redemption or conversion of shares in the Sub-Fund(s) concerned and will be published if required by law or decided by the Board or its agent(s) at the appropriate time.

LIQUIDATION, TERMINATION AND MERGING OF THE FUND AND ITS SUB-FUNDS

LIQUIDATION OF THE FUND

The liquidation of the Fund will take place if the conditions stated in the 2010 Law apply. The Fund can be dissolved at any time by the general meeting of the shareholders in due observance of the legal conditions governing the quorum and necessary majority.

If the total net assets of the Fund fall below two thirds of the prescribed minimum capital, the Board must submit the question of the dissolution of the Fund to a general meeting for which no quorum shall be prescribed and which shall decide by simple majority of the shares represented at the meeting. If the total net assets of the Fund fall below one fourth of the prescribed minimum capital, the Board must submit the question of the dissolution of the Fund to a general meeting, the dissolution may be resolved by investors holding one fourth of the shares represented at the meeting for which no quorum shall be prescribed. The meeting must be convened so that it is held within a period of 40 days as from the ascertainment that the net assets have fallen below two thirds or one fourth of the legal minimum as the case may be. Furthermore, the general meeting may decide to dissolve the Fund following the relevant articles of the Articles. Any decision or order of liquidation will be notified to the shareholders, and published in accordance with the 2010 Law.

If the Fund is dissolved, the liquidation shall be carried out by one or more liquidators to be designated by the general meeting which shall also determine their sphere of responsibility and remuneration. The liquidators shall realise the Fund's assets in the best interests of the shareholders and distribute the net proceeds from the liquidation of the Sub-Funds to the shareholders of said Sub-Funds in proportion to their respective holdings. Any liquidation proceeds which cannot be distributed to the shareholders shall be deposited with the "Caisse de Consignation" in Luxembourg until expiry of the prescription period, at present thirty years.

LIQUIDATION OF SUB- FUNDS AND / OR SHARE CLASSES

If the total value of the net assets of a Sub-Fund and/or a share class falls to a level that does not allow the Sub-Fund and/or share class to be managed in an economically reasonable way as well as in the course of a rationalisation the Board may demand the liquidation of that Sub-Fund and/or share class. The same also applies in cases where changes to the political or economic conditions justify such liquidation.

Up to the date upon which the decision takes effect, shareholders retain the right; free of charge, subject to the liquidation costs to be taken into account and subject to the guaranteed equal treatment of shareholders, to request the redemption of their shares. The Board may however determine a different procedure, in the interest of the shareholders of the Sub-Fund(s) and/or of the share classes of Sub-Fund(s).

The liquidation of a Sub-Fund and/or share class shall not involve the liquidation of another Sub-Fund and/or share class. Only the liquidation of the last remaining Sub-Fund of the Fund involves the liquidation of the Fund.

Regardless of the Board's rights, the general meeting of shareholders in a Sub-Fund and/or share class of a Sub-Fund may reduce the Fund's capital at the proposal of the Board by withdrawing shares issued by a Sub-Fund and refunding shareholders with the net asset value of their shares, taking into account actual realization prices of investments and realization expenses and any costs arising from the liquidation) calculated on the Valuation Day on which such decision shall take effect. The net asset value is calculated for the day on which the decision comes into force, taking into account the proceeds raised on disposing of the Sub-Fund's assets and any costs arising from this liquidation. No quorum (minimum presence of shareholders covering the capital represented) is required for a decision of this type. The decision can be made with a simple majority of the shares present or represented at the general meeting.

Shareholders in the relevant Sub-Fund and/or share class will be informed of the decision by the general meeting of shareholders to withdraw the shares or of the decision of the Board to liquidate the Sub-Fund and/or share class by means of a publication as required by law. In addition and if necessary in accordance with the statutory regulations of the countries in which shares in the Fund are sold, an announcement will then be made in the official publications of each individual country concerned.

The counter value of the net asset value of shares liquidated which have not been presented by shareholders for redemption will be deposited with the "*Caisse de Consignation*" in Luxembourg at the latest nine month after the decision of the liquidation.

Each Sub-Fund of the Fund being a feeder Sub-Fund shall be liquidated, if its master UCITS is liquidated divided into two or more UCITS or merged with another UCITS, unless the CSSF approves:

- a) the investment of at least 85 % of the assets of the feeder Sub-Fund in units of another master UCITS; or
- b) its conversion into a Sub-Fund which is not a feeder Sub-Fund .
Without prejudice to specific provisions regarding compulsory liquidation, the liquidation of a Sub-Fund of the Fund being a master Sub-Fund shall take place no sooner than three months after the master Sub-Fund has informed all of its shareholders and the CSSF of the binding decision to liquidate.

MERGERS OF THE FUND OR OF SUB-FUNDS WITH ANOTHER UCITS OR OTHER SUB-FUNDS THEREOF; MERGERS OF ONE OR MORE SUB-FUNDS WITHIN THE FUND; DIVISION OF SUB-FUNDS

"**Merger**" means an operation whereby:

- a) one or more UCITS or Sub-Funds thereof, the "**merging UCITS/ Sub-Fund**", on being dissolved without going into liquidation, transfer all of their assets and liabilities to another existing UCITS or a Sub-Fund thereof, the "**receiving UCITS**", in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares;

b) two or more UCITS or Sub-Funds thereof, the **"merging UCITS/ Sub-Fund "**, on being dissolved without going into liquidation, transfer all of their assets and liabilities to a UCITS which they form or a Sub-Fund thereof, the **"receiving UCITS/ Sub-Fund "**, in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares;

c) one or more UCITS or Sub-Funds thereof, the **"merging UCITS/ Sub-Fund "**, which continue to exist until the liabilities have been discharged, transfer their net assets to another Sub-Fund of the same UCITS, to a UCITS which they form or to another existing UCITS or a Sub-Fund thereof, the **"receiving UCITS/ Sub-Fund "**.

Mergers can be performed in accordance with the form, modalities and information requirements provided for by the 2010 Law; the legal consequences of mergers are governed by and described in the 2010 Law.

Under the same circumstances as provided in the previous Section, the Board may decide to reorganise a Sub-Fund and/or share class by means of a merger with another existing Sub-Fund and/or share class within the Fund or with another UCITS established in Luxembourg or in another Member-State or to another Sub-Fund and/or share class within such other UCITS (the **"new fund/Sub-Fund"**) and to re-designate the shares of the relevant Sub-Fund or share class concerned as shares of another Sub-Fund and/or share class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders). Such decision will be published in the same manner as described in the previous Section (and, in addition, the publication will contain information in relation to the new fund or Sub-Fund), thirty days before the date on which the merger becomes effective in order to enable shareholders to request redemption or conversion of their shares, free of charge, during such period.

If a Sub-Fund and/or share-class is to be merged with a Luxembourg or foreign UCI which is not a UCITS or Sub-Fund and/or share class thereof, such merger has to be decided upon by a general meeting of the contributing Sub-Fund and/or share class. There shall be no quorum requirements for such general meeting, but resolutions shall be binding only upon such shareholders who will have voted in favour of such merger

Under the same circumstances as provided in the previous Section, the Board may decide to reorganise a Sub-Fund and/or share class by means of a division into two or more Sub-Funds and/or share classes. Such decision will be published in the same manner as described herein (and, in addition, the publication will contain information about the two or more new Sub-Fund) thirty days before the date on which the division becomes effective, in order to enable the shareholders to request redemption or conversion of their shares free of charge during such period.

Where a Sub-Fund of the Fund has been established as a master Sub-Fund, no merger or division of shall become effective, unless the master Sub-Fund has provided all of its shareholders and the CSSF with the information required by law, by sixty days before the proposed effective date. Unless the CSSF or the competent authorities of the home Member State of the European Union (the "Member State") of the feeder-UCITS, as the case may be, have granted the feeder-UCITS approval to continue to be a feeder-UCITS of the master Sub-Fund resulting from the merger or division of such master Sub-Fund, the master Sub-Fund shall enable the feeder-UCITS to repurchase or redeem all shares in the master Sub-Fund before the merger or division becomes effective.

The shareholders of both, the merging and receiving Sub-Fund have the right to request, without any charge other than those retained by the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their shares or, where possible, to convert them into shares of another Sub-Fund of the Fund with similar investment policy or shareholders may also convert their shares into another UCITS managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. This right shall become effective from the moment that the shareholders of the merging and those of the receiving Sub-Fund have been informed of the proposed merger and shall cease to exist five working days before the date for calculating the exchange ratio.

The Board may temporarily suspend the subscription, repurchase or redemption of shares, provided that any such suspension is justified for the protection of the shareholders.

If a Sub-Fund of the Fund is the receiving Sub-Fund, the entry into effect of the merger shall be made public through all appropriate means by the Fund and shall be notified to the CSSF and, where appropriate, to the competent authorities of the home Member States of the other UCITS involved in the merger.

Under the same circumstances as provided in the previous Section, the general meeting of shareholders of the Fund may decide with no quorum requirement and simple majority to merge the whole Fund with another UCITS established in Luxembourg or in another Member State or with any Sub-Fund thereof.

A merger which has taken in accordance with the provisions of the 2010 Law cannot be declared null and void.

DIVIDEND POLICY

The dividend policy of each of the Sub-Funds is further described under Section I.

The general meeting of shareholders of the respective Sub-Funds shall decide, at the proposal of the Board and after closing the annual accounts per Sub-Fund, whether and to what extent distributions are to be paid out of investment income and realised gains in the net asset value after deduction of all fees and expenses. The payment of distributions must not result in the net asset value of the Fund falling below the minimum capital amount prescribed by law.

Entitlements to distributions and allocations not claimed within five years of the due date shall be forfeited and the corresponding assets returned to the respective Sub-Fund. If the Sub-Fund in question has already been liquidated, the distributions and allocations will accrue to the remaining Sub-Funds of the same Fund in proportion to their respective net assets. At the proposal of the Board, the general meeting of shareholders of a specific Sub-Fund may decide to issue bonus shares as part of the distribution of net investment income and capital gains.

An income equalisation amount will be calculated so that the distribution corresponds to the actual income entitlement.

Depositary and Paying Agent

UBS (Luxembourg) S.A. and as from 1 December 2016, UBS Europe SE, Luxembourg Branch has been appointed as depositary of the Fund (the “**Depositary**”). The Depositary will also provide paying agent services to the Company.

Until the above mentioned date, UBS (Luxembourg) S.A. is a public limited company (*société anonyme*) under the laws of Luxembourg incorporated for an unlimited duration. Its registered office is at 33A, avenue J. F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. It is licensed to engage in all banking operations under Luxembourg law.

On 1 December 2016, UBS (Luxembourg) S.A. will be merged into UBS Deutschland AG which will simultaneously adopt the form of a European Company (Societas Europaea, SE) under the name “UBS Europe SE”, while the business conducted in Luxembourg will be carried on without interruption by the Luxembourg branch under the name “UBS Europe SE, Luxembourg Branch”. No change will occur to the current processes and operations of the Depositary. The fees payable to the Depositary will not be affected by the merger of UBS (Luxembourg) S.A. into UBS Europe SE acting through its Luxembourg Branch.

The Depositary has been appointed for the safe-keeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Fund as well as to ensure for the effective and proper monitoring of the Fund’s cash flows in accordance with the provisions of the Law of 2010 and the Depositary Agreement. Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the Law of 2010.

In addition, the Depositary shall also ensure that

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

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

In compliance with the provisions of the Depositary Agreement and the Law of 2010, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safekeeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund to one or more sub-custodian(s), as they are appointed by the Depositary from time to time. The Depositary does not allow its sub-custodians to make use of sub-delegates which have not been approved by the Depositary in advance.

Prior to the appointment of any sub-custodian and sub-delegate and on an ongoing basis based on applicable laws and regulations as well as its conflict of interests policy the Depositary shall assess potential conflicts of interests that may arise from the delegation of its safekeeping functions. The Depositary is part of the UBS Group, a worldwide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safekeeping functions could arise as the Depositary and its affiliates are active in various business activities and may have differing direct or indirect interests. Investors may obtain additional information free of charge by addressing their request in writing to the Depositary.

In order to avoid any potential conflicts of interest, the Depositary does not appoint any sub-custodians and does not allow the appointment of any sub-delegate which is part of the UBS Group, unless such appointment is in the interest of the Shareholders and no conflict of interest has been identified at the time of the sub-custodian's or sub-delegate's appointment. Irrespective of whether a given sub-custodian or sub-delegate is part of the UBS Group or not, the Depositary will exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant sub-custodian or sub-delegate. Furthermore, the conditions of any appointment of a sub-custodian or sub-delegate that is member of the UBS Group will be negotiated at arm's length in order to ensure the interests of the Fund and its Shareholders. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to Shareholders. An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of these delegates and sub-delegate(s) can be found on the following webpage:

<https://www.ubs.com/global/en/legalinfo2/luxembourg.html>.

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the Law of 2010, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements. In order to ensure that its tasks are only delegated to sub-custodians providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the Law of 2010 in the selection and the appointment of any sub-custodian to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian to which it has delegated parts of its tasks as well as of any arrangements of the sub-custodian in respect of the matters delegated to it. In particular, any delegation is only possible when the sub-custodian at all times during the performance of the tasks delegated to it segregates the assets of the Fund from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the Law of 2010. The Depositary's liability shall not be affected by any such delegation, unless otherwise stipulated in the Law of 2010 and/or the Depositary Agreement.

The Depositary is liable to the Fund or its Shareholders for the loss of a financial instrument held in custody within the meaning of article 35 (1) of the Law of 2010 and article 12 of the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries (the **"Fund Custodial Assets"**) by the Depositary and/or a sub-custodian (the **"Loss of a Fund Custodial Asset"**).

In case of Loss of a Fund Custodial Asset, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the Law of 2010, the Depositary will not be liable for the Loss of a Fund Custodial Asset, if such Loss of a Fund Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Fund and to the Shareholders for all other direct losses suffered by them as a result of the Depositary's negligence or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the Law of 2010 and the Depositary Agreement.

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving three (3) months' notice by registered letter. In case of a voluntary withdrawal of the Depositary or of its removal by the Fund, the Depositary must be replaced before maturity of such notice period by a successor depositary to whom the Fund's assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Fund does not name such successor depositary in time the Depositary may notify the CSSF of the situation.

The Central Administration and the Depositary are part of the UBS Group (the "**Affiliated Person**").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Fund invests.

The Affiliated Person including its subsidiaries and branches may act as counterparty and in respect of financial derivative contracts entered into by the Fund. A potential conflict may further arise as the Depositary is related to a legal entity of the Affiliated Person which provides other products or services to the Fund.

In the conduct of its business, the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Fund or its investors. The Affiliated Person strives to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, the Affiliated Person has implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Fund or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

CENTRAL ADMINISTRATION AND DOMICILIATION AGENT

Following a Central Administration and Domiciliation Agent Agreement concluded between the Management Company, the Fund and UBS Fund Services (Luxembourg) S.A., UBS Fund Services (Luxembourg) S.A. has been appointed as the administrative and domiciliation agent for the Fund. In this capacity, UBS Fund Services (Luxembourg) S.A. is responsible for the general administrative services involved in managing the Fund prescribed by Luxembourg law.

These administrative services mainly include registrar and transfer agent and accounting services as well as reporting and other tasks of central administration in accordance with applicable Luxembourg law.

The Central Administration and Domiciliation Agent is entitled to charge commission in line with the scale of fees customarily applied at the financial centre of Luxembourg.

INVESTMENT MANAGERS, INVESTMENT ADVISERS

The Fund is managed by the Management Company which has the overall responsibility for the management and administration of the Fund, its Sub-Funds and if applicable, its corresponding class of shares. The Management Company is responsible for the monitoring of investment policies and restrictions of the Sub-Funds.

In the performance of its duties, the Management Company may be assisted by the Investment Managers and Investment Advisers, for each Sub-Fund, according to their respective investment policy and objectives.

The Management Company may delegate to different Investment Managers with regard to the investment management of the Sub-Funds. The Investment Management comprises the active management of the Sub-Fund's assets and the ongoing monitoring and adjusting of investments. The mandate is executed under -supervision and responsibility of the Management Company.

Furthermore, the Investment Manager is entitled with the consent and the approval of the Management Company to appoint Investment Advisers with regard to investment recommendations, for instance, relating to the asset allocation between the permitted investment instruments.

The name and description of the actual advisers and managers, as well as the commission to which they are entitled are further described under Section I. Unless otherwise provided, this commission is expressed as a percentage of the average net asset value and is payable monthly.

TAXATION

a) Taxation of the Fund

According to the laws and practice currently in force in the Grand Duchy of Luxembourg, the Fund is not liable to any Luxembourg tax on withholding, income, capital gains or wealth taxes. The Fund is, however, liable in Luxembourg to a tax of 0.05 per cent per annum ("Taxe d'Abonnement") of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Fund at the end of the relevant calendar quarter or 0.01 per cent per annum for the Classes of shares dedicated to institutional investor as defined from time to time by the Luxembourg laws and regulations.

Taxation of shareholders

Shareholders are advised that the law of 21 June 2005 (the "Tax Law") has implemented into Luxembourg law, the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (defined as Savings Directive). According to the Savings Directive, as from July 1, 2005 at the earliest, cross boarder payments of interest to individuals resident in another Member State will be subject to a withholding tax system or an automatic disclosure of Information. Dividends distributed by a Sub-Fund of the Fund will be subject to the Savings Directive if more than 15 % of the relevant Sub-Fund's assets are invested in debt claims as defined in the Directive. Proceeds realised by shareholders on the disposal of shares will be subject to such reporting or withholding if more than 25 of the relevant Sub-Fund's assets are invested in such debt claims.

Provided that the Sub-Fund concerned is not subject to the Savings Directive or the shareholder is not concerned thereof, the shareholder is not subject to any capital gains, income, withholding, gift, estate, inheritance or other tax in Luxembourg except for investors domiciled, resident or having a permanent establishment in Luxembourg and except for certain former residents of Luxembourg owning more than ten per cent of the shares in the Fund.

The above summary of the tax implications is not exhaustive. Investors are therefore advised to seek professional advice in relation to the laws and regulations in force and, where appropriate, seek advice on the subscription, purchase, possession and sale of shares at their place of residence.

United States ("US") Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")

FATCA aims to prevent US tax evasion by requiring foreign (non-US) financial institutions to comply with FATCA and report to the US Internal Revenue Service information on financial accounts held outside the United States by US investors. Non-US financial institutions that do not comply with the FATCA reporting regime will be subject to a US tax withholding of 30% on US source income (including interest and dividends), commencing on 1 July 2014.

Beginning from 1 January 2017, the 30% withholding tax is extended to include the gross proceeds of sales of certain US assets that can produce US source income. The United States has entered Intergovernmental Agreements with other jurisdictions to implement FATCA under local laws and Financial Institutions in those Intergovernmental Agreement ("IGA") jurisdictions will be required to comply with FATCA.

Under the terms of the IGA entered between Luxembourg and the United States, the Fund will be obliged to comply with the provisions of FATCA as enacted by the Luxembourg legislation implementing the IGA

(the "Lux IGA Legislation"), rather than directly complying with the US Treasury Regulations implementing FATCA.

Under the terms of the IGA, Luxembourg resident financial institutions that comply with the requirements of the Luxembourg IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA ("FATCA Withholding").

The Fund expects that it will be considered to be a collective investment vehicle within the meaning of the Luxembourg US FATCA intergovernmental agreement, as such it will be a Luxembourg resident financial institution that will need to comply with the requirements of the Luxembourg IGA Legislation and, as a result of such compliance, the Fund should not be subject to FATCA Withholding.

Additional intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the United States. Investors holding investments via distributors or custodians that are not in Luxembourg or another IGA country should check with such distributor or custodian as to the distributor's or custodian's intention to comply with FATCA.

Additional information may be required by the Fund, custodians or distributors from certain investors in order to comply with their obligations under FATCA or under an applicable IGA. The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the IGAs is subject to review by the US, Luxembourg and other IGA governments, and the rules may change. Investors should contact their own tax advisors regarding the application of FATCA to their particular circumstances.

Automatic Exchange of Information Agreements between Governments

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

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

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

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

Common Reporting Standards

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

CHARGES AND EXPENSES

- The Fund is subject to a “Service Fee” as being further determined under the respective Sub-Fund’s section.
- The Fund will pay in addition a “Management Fee” as being as further determined under the respective Sub-Fund’s section.
- A Performance fee is paid to Investment Manager and/or to the Investment as further determined under the respective Sub-Fund’s section.
The financial intermediaries in connection with the distribution and/or placing of the Fund’s Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.
- Furthermore, the Fund is subject to the following fees and commissions:
 - * Customary brokerage fees, commissions, handling fees and other charges of banks including the Depositary, brokers, exchanges and regulatory fees related to securities trading and settlement and similar transactions
 - * costs for extraordinary measures carried out in the interests of the shareholders, such as expert opinions and legal proceedings, etc.
 - * Minimum administration fees of the Management Company, the Central Administrator, the Depositary, the Domiciliation Agent (up to 8,000. - EUR p.a.), the Investment Manager or the Investment Advisors of the sub-funds as further determined under the sub-fund particulars of the respective sub-funds under this Fund. The directors’ fees of the Directors to the Fund and the fees for the Directors insurance which could amount to 80.000 EUR p.a.
 - * all expenses incurred by the relevant Sub-funds which will include but not be limited to: all taxes which are levied on the net assets and the income of the Fund, particularly
 - (i) the “taxe d’abonnement”;
 - (ii) the costs of tax declaration and tax figure calculation services
 - (ii) Annual costs of the Administrative Agent for the administration of additional share classes of up to 10.000 EUR for each new share class launched
 - (iii) Annual costs of the Administrative Agent for performance fee calculations of up to 10.000 EUR for each share class launched under a sub fund applying performance fees
 - (iv) usual banking fees due on transactions involving securities or other assets (including derivatives) held in the portfolio of the Fund (such fees to be included in the acquisition price and to be deducted from the selling price);
 - (v) Costs of independent Valuation Agents
 - (vi) Costs of data delivery by the Central Administration for risk and investment restriction controls amounting to an annual maximum of 50,000 EUR for the entire Fund
 - * the reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the Depositary and other service providers and any custody charges of banks and financial institutions to whom custody of assets of the Fund is entrusted;
 - * usual banking fees due on transactions involving securities or other assets (including derivatives) held in the portfolio of the Fund (such fees to be included in the acquisition price and to be deducted from the selling price);
 - * legal expenses incurred by the Fund or the Service Providers while acting in the interests of the Shareholders; the cost and expenses of preparing and/or filing and printing the Articles and all other documents concerning the Fund (in such languages as are necessary), including registration statements, prospectuses, the key Investor information Document and explanatory memoranda with all authorities (including local securities dealers’ associations) having jurisdiction over the Fund or the offering of Shares of the Fund and general registration costs; the cost of preparing, in such languages as are necessary for the benefit of the Shareholders (including the beneficial holders of the Shares), and distributing annual and semi-annual reports and such other reports or documents as may be required under applicable laws or regulations; the cost of accounting, bookkeeping and calculating the Net Asset Value;
 - * the cost of preparing and distributing notices to the Shareholders; a reasonable share of the cost of promoting the Fund, as determined in good faith by the Fund, including marketing and advertising expenses of up to 5bps per year. The Board of Directors will decide year by year the costs incurred

with the admission and the maintenance of the Shares on the stock exchanges on which they are listed (if listed).

The Fund may accrue in its accounts of administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

The expenditure involved in the initial launching and marketing of the Fund, which is estimated to amount to Euro 100.000.-, as well as the cost of launching new Sub-Funds and other extraordinary expenses, may be written off over a period of up to five years. The costs of launching new Sub-Funds will be written off only by the respective Sub-Fund. The expenditure involved in establishing the Fund still outstanding may only be written off by the Sub-Funds launched at the same time as the Fund was established.

Fees and expenses that cannot be attributed to one single Sub-Fund will either be ascribed to all Sub-Funds on an equal basis or will be prorated on basis of the net asset value of each Sub-Fund, if the amount and cause justify doing so.

INFORMATION AVAILABLE TO SHAREHOLDERS AND COMPLAINTS HANDLING

As from the 21. January 2015 notices to shareholder will be published in newspapers and in the Luxembourg Mémorial, only when such way of publication is mandatory required under the provisions of the Luxembourg Law of 1915, or other applicable laws or regulations

All other notices to shareholders,

- (i) will be mailed, translated in all languages of distribution countries where concerned Sub-Funds of the Fund are authorized for public distribution, by registered mail to the shareholders registered in the Fund's register and**
- (ii) will be published, also in the languages of distribution countries where the concerned Sub-Funds of the Fund are authorized for public distribution, as from the 21. January 2015 on the Management Company's web site: <http://www.pharusmanco.lu>**

On this web site you can also obtain free of any charges the most up to date version of the Prospectus as well as actual version of the KIIDs of the Sub-Funds registered for public distribution in different distribution countries.

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

The audited annual report will be made available to shareholders free of charge at the registered office of the Fund within four months of the end of the financial year. The annual report includes reports on the Fund in general and on the individual Sub-Funds. Un-audited semi-annual reports of the Sub-Funds will be made available at the same places as the annual reports within two months of the end of the period to which they refer.

Other information on the Fund, as well as on the net asset value, the issue, conversion and redemption prices of the Fund's shares may be obtained on any day which is open for business at the administrative address of the Fund and at the registered office of the FATCA. If necessary, any information relating to a suspension or resumption of the calculation of the net asset value, the issue or redemption price as well as all notifications to shareholders will be published in the "Mémorial" and in the "D'Wort" and, if necessary, in the different distribution countries.

Copies of the Articles may be obtained at the registered office of the Fund. Material provisions of the agreements referred to in this prospectus may be inspected during usual business hours on any day which is open for business in Luxembourg at the registered office of the Fund.

In addition, the Articles, the sales prospectus as well as the latest annual and semi-annual reports are available free of charge from the Depositary. The issue and redemption prices as well as any documents mentioned above may also be obtained there.

The key investor information document is published on the website of PHARUS MANAGEMENT LUX S.A. Furthermore the key investor information documents will be supplied to shareholders on request and free of charge.

Complaints of shareholders may be filed with the Management Company, the Depositary and any paying agent or distributor. Complaints will be dealt with properly in a timely manner.

INVESTMENT GUIDELINES

INVESTMENT RESTRICTIONS

The Fund's investments shall be subject to the following guidelines:

(1) Investment Instruments

(A) In line with the investment policy of the respective Sub-Funds, the assets of the individual Sub-Funds must consist of:

- (a) transferable securities and money market instruments admitted to or dealt in on a regulated market, as defined in Article 4 point 1 (14) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004;
- (b) transferable securities and money market instruments dealt in on another regulated market in a Member State which operates regularly and is recognised and open to the public;
- (c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or dealt in on another regulated market in a non-Member State of the European Union which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market being located within any European, American, Asian, African, Australasian or Oceania country;
- (d) recently issued transferable securities and money market instruments provided that:
 - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under paragraphs (a) to (c) above;
 - such admission is secured within one year of issue;
- (e) units of UCITS authorised according to Directive 2009/65/EC and / or other UCIs within the meaning of Article 1, paragraph (2) points a) and b) of Directive 2009/65/EC, whether or not established in a Member State, provided that:
 - such other UCI are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
 - the level of guaranteed protection for unit-holders in such other UCIs is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
 - the business of the other UCI 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;
 - no more than 10 % of the assets of the UCITS or the other UCIs, whose acquisition is contemplated, can, according to its respective prospectus, its management regulations or articles of incorporation, be invested in aggregate in units of other UCITS or other UCIs;

Each Sub-Fund may also acquire shares of another Sub-Fund subject to the provisions of point (2) (C) here below.

- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

- (g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in sub-paragraphs a), b) and c); and / or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that
- the underlying consists of instruments covered by A), financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives as stated in the Fund's Articles,
 - the counter-parties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Fund's initiative;
- (h) money market instruments other than those dealt in on a regulated market and referred to in the 2010 Law, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these instruments are:
- issued or guaranteed by a central, regional or local authority, a 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
 - issued by an undertaking any securities of which are dealt in on regulated markets referred to in sub-paragraphs a), b) or c), or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and comply with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euros (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with Fourth 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 or is an entity which is dedicated to the financing of securitisation vehicles, which benefit from a banking liquidity line.

* However, each Sub-Fund:

- (a) may invest no more than 10 % of its net assets in transferable securities or money market instruments other than those referred to in (1) (A) above, or
- (b) may invest no more than 10 % of its net assets in debt instruments which are treated, because of their characteristics, as equivalent to transferable securities and money market instruments and which are, inter alia, transferable, liquid and have a value which can be accurately determined on each Valuation Day;

The total of investments referred to (a) and (b) may not under any circumstances amount to more than 10 % of each Sub-Fund's net assets.

The Fund and / or each Sub-Fund:

- (a) may acquire movable and immovable property which is essential for the direct pursuit of its business;
- (b) may not acquire either precious metals or certificates representing them;
- (c) may hold ancillary liquid assets.

(2) Risk Diversification

- (A) In accordance with the principle of risk diversification as determined under Art 45 of the 2010 law, each Sub-Fund will invest no more than 10 % of its net assets in transferable securities or money market instruments issued by the same issuing body. Each Sub-Fund may not invest more than 20 % of its assets in deposits made with the same body.

The risk exposure to a counterparty of each Sub-Fund in an OTC derivative transaction may not exceed 10 % of its net assets when the counterparty is a credit institution referred to in (1) (A) f), or 5 % of its net assets in the other cases.

Moreover, the total value of the transferable securities and money market instruments held by the Sub-Fund in the issuing bodies in each of which it invest more than 5 % of its net assets must not exceed 40 % of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the limits laid down in the first paragraph of (2), the Sub-Fund shall not combine, where this would lead to investing more than 20 % of its assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by;
- deposits made with; or,
- exposures arising from OTC derivative transactions undertaken with a single body.

(B) The following exceptions can be made:

- (a) The aforementioned limit of 10 % can be raised to a maximum of 25 % for certain bonds if they are issued by credit institution whose registered office is situated in a Member State and which is subject, by virtue of law, to particular public supervision for the purpose of protecting the holders of such bonds. In particular, the amounts resulting from the issue of such bonds must be invested, pursuant to the 2010 Law in assets which, during the whole period of validity of such bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used for the repayment of the principal and payment of the accrued interest. If the Sub-Fund invests more than 5 % of its net assets in bonds as referred to above and issued by the same issuer, the total value of such investments may not exceed 80 % of the value of the Sub-Fund's net assets.

- (b) The aforementioned limit of 10 % can be raised to a maximum of 35 % for transferable securities or money market instruments issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members. The transferable securities referred to in exceptions (a) and (b) are not included in the calculation of the limit of 40 % laid down above.

The limits stated under (A) and (B), above, may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same body or in deposits or derivatives instruments made with this body in accordance with (A) and (B), may not, in any event, exceed a total of 35 % of the Sub-Fund's net assets.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules are regarded as a single body for the purpose of calculating the limits contained in the present section "Risk Diversification".

The Fund may invest in aggregate up to 20 % of its assets in transferable securities and money market instruments with the same group.

Notwithstanding what is provided for under (A) and (B), above, a Sub-Fund may invest up to 100 % of its net assets in accordance with the principle of risk spreading, in different transferable securities and / or money market instruments issued or guaranteed by a Member State, by its local authorities, by an OECD Member State or by public international bodies of which one or more Member States are members, provided that the Sub-Fund holds securities and / or money market instruments from at least six different issues and securities and / or money market instruments from one issue do not account for more than 30 % of its total net assets.

- Each Sub-Fund may also subscribe for, acquire and/or hold shares issued or to be issued by one or more other Sub-Funds of the Fund subject to additional requirements which may be specified in Section I, if:

(i) the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and

(ii) no more than 10% of the assets of the target Sub-Funds whose acquisition is contemplated may be invested in aggregate in shares of other Sub-Funds of the Fund; and

(iii) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned; and

(iv) in any event, for as long as these securities are held by the relevant Sub-Fund, their value will not be taken into consideration for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and

(v) there is no duplication of management/subscription or redemption fees between those at the level of the Sub-Fund having invested in the target Sub-Fund, and this target Sub-Fund.

(3) Specific Rules for Master / Feeder structures

- (A) A feeder Sub-Fund is a Sub-Fund of the Fund, which has been approved to invest, by way of derogation from article 2, paragraph (2), first indent of the 2010 Law, at least 85% of its assets in units of another UCITS or Sub-Fund thereof (hereafter referred to as the "**master UCITS**").
- (B) A feeder Sub-Fund may hold up to 15% of its assets in one or more of the following:
 - a) ancillary liquid assets in accordance point (1) last paragraph above;
 - b) financial derivative instruments, which may be used only for hedging purposes, in accordance with point (1) paragraph (g) above and Article 42, paragraphs (2) and (3) of the 2010 Law;
 - c) movable and immovable property which is essential for the direct pursuit of its business.
- (C) For the purposes of compliance with Article 42, paragraph (3) of the 2010 Law, the feeder Sub-Fund shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under point (3) (B) b) above, with:
 - a) either the master UCITS' actual exposure to financial derivative instruments in proportion to the feeder Sub-Fund's investment into the master UCITS;
 - b) or the master UCITS' potential maximum global exposure to financial derivative instruments provided for in the master UCITS management regulations or instruments of incorporation in proportion to the feeder Sub-Fund's investment into the master UCITS.
- (D) A master UCITS is a UCITS, or a Sub-Fund thereof, which:
 - a) has, among its shareholders, at least one feeder UCITS;
 - b) is not itself a feeder UCITS; and
 - c) does not hold units of a feeder UCITS.
- (E) If a master UCITS has at least two feeder UCITS as shareholders, article 2, paragraph (2), first indent and Article 3, second indent of the 2010 Law shall not apply.

(4) Investment Restrictions

- (A) The Fund may acquire the units of UCITS and / or other UCIs referred to in (1) (A) e), provided that no more than 20 % of its net assets are invested in a single UCITS or other UCI.
For the purposes of applying this investment limit, each Sub-Fund of a UCI with multiple Sub-Funds, within the meaning of Article 181 of the 2010 Law, shall be considered as a separate entity, provided that the principle of segregation of commitments of the different Sub-Funds is ensured in relation to third parties.
- (a) Investments made in units of UCI other than UCITS may not exceed, in aggregate, 30 % of the net assets of the Fund.
When the Fund has acquired units of UCITS and / or other UCIs, the assets of the respective UCITS or other UCI do not have to be combined in the view of the limits laid down under paragraph (2) Risk Diversification;
- (b) When the Fund invests in the units of other UCITS and / or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the UCITS's investment in the units of other UCITS and / or other UCI.
- (c) In the case a Sub-fund invests into other investment funds, these investments may entail duplication or even a multiplication of certain fees and expenses for the shareholders for instance the commissions for the Depositary and the Central Administration, management / advisory fees and issue / redemption fees on the level of the invested investment fund. The Sub-fund is prohibited from charging a subscription or redemption fee on account of the Sub-fund of other investment funds of the promoters or investment managers group.
- (B) The Fund will not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

- (C) The Fund may not acquire more than 10 % of non-voting shares of the same issuer, more than 10 % of the debt securities issued by the same issuer or more than 25 % of the units of the same UCITS or UCI or more than 10 % of the money market instruments of the same issuer.

The limits under (B) and (C) are waived as to:

- transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-Member State; transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- shares held in the capital of a company incorporated in a non-Member State and investing its assets mainly in securities of issuers having their registered office in that State, if under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of the issuers of that State. This derogation only applies if the company has an investment policy complying with the points 2 (A) and 3 (A) to (C) mentioned here above. If the limits stated in points 2 (A) and 3 (A) mentioned here above are exceeded, the limit under (G) shall apply mutatis mutandis.
- shares held by one or more investment companies in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country / state where the subsidiary is established, in regard to the repurchase of units at the shareholders' request exclusively on its or their behalf.

(D) Any Sub-Fund may not borrow more than 10 % of its total net assets, and then only from financial institutions and on a temporary basis. Each Sub-Fund may, however, acquire currency by means of a back to back loan. Each Sub-Fund will not purchase securities while borrowings are outstanding in relation to it, except to fulfil prior commitments and / or exercise subscription rights. However, each Sub-Fund can borrow up to 10 % of its net assets to make possible the acquisition of immovable property essential for the direct pursuit of its business. In this case, these borrowings and those referred to above (temporary borrowings) may not in any case in total exceed 15 % of the Sub-Funds' net assets.

(E) The Fund may not grant credits or act as guarantor for third parties. This limitation does not prevent the Fund to purchase securities that are not fully paid up, nor to lend securities as further described there under. This limitation does not apply to margin payments on option deals and other similar transactions made in conformity with established market practices.

(F) Each Sub-Fund will not purchase any securities on margin (except that the Sub-Fund may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities) or make short sales of securities or maintain a short position. Deposits on other accounts in connection with option, forward or financial futures contracts, are, however, permitted within the limits provided for here below.

The Board is authorised to introduce further investment restrictions at any time in the interests of the shareholders provided these are necessary to ensure compliance with the laws and regulations of those countries in which the Fund's shares are offered and sold.

(G) If any of the above limitations are exceeded for reasons beyond the control of the Fund and / or each Sub-Fund or as a result of the exercise of subscription rights, the Fund and / or each Sub-Fund must adopt, as a priority objective, sales transactions for the remedying of that situation, taking due account of the interests of its shareholders.

FINANCIAL TECHNIQUES AND INSTRUMENTS

As set out in 1 (A)(g)), the Fund may, as a main element in achieving the investment policy, within the statutory conditions and limits defined for each Sub-Fund, use special techniques and financial instruments whose underlyings are securities, money market instruments and other financial instruments.

The Management Company must use a risk management process that enables it, at any time, to monitor and measure the risk associated with its investment positions and its share in the overall risk profile of the investment portfolio; furthermore, it must use a process that allows it to determine the value of the OTC derivatives in a precise and impartial manner.

The Fund is also entitled to employ techniques and instruments which feature securities and money market instruments, provided such techniques and instruments are used for hedging purposes and efficient

investment management purposes as well as for investment purposes, subject to the conditions and limits defined by the CSSF. If such transactions relate to the use of derivatives, then the terms and limits must accord with the provisions of the 2010 Law.

The Sub-Funds may under no circumstances deviate from its investment objectives for these transactions.

The Management Company ensures that the overall risk associated with derivatives does not exceed the total net value of its portfolio.

The following are taken into account in computing risk: The market value of the underlying instruments, the risk of default, the future foreseeable market developments and the period within which the positions are to be liquidated.

As part of its investment strategy, the Fund, within the limits set out in 2 (B)(b)), may invest in derivatives provided that the overall risk of the underlying assets does not exceed the investment limits cited in point 2 above. Investments by a UCITS in index-based derivatives need not be taken into account in the case of the investment limits set forth under 2.

If a derivative is embedded in a security or money market instrument, it has to be taken into account with regard to compliance with the rules of this Article.

SECURITIES LENDING AND BORROWING / EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

The Fund may enter into securities lending transactions provided it complies with the following regulations:

1. The Fund may only participate in securities lending transactions within a standardised lending system organised by a recognised securities clearing institution or by a highly rated financial institution specialising in this type of transactions.
 2. In the context of its lending transactions, the Fund must receive a guarantee of which the value at conclusion and during the life of the contract must be at least equal to the total value of the securities lent.
 3. Securities lending transactions cannot be extended beyond a period of thirty (30) days or exceed 50% of the overall value of the securities in the portfolio of each sub-fund. This limitation does not apply where the Fund is entitled at all times to terminate the contract and demand the return of the securities lent.
 4. All assets received by the Fund in the context of efficient portfolio management techniques should be considered as collateral. The collateral which must comply with the conditions set forth below under "collateral management".
 5. The Fund may not dispose of the securities it has borrowed during the entire term of the loan unless there is cover by means of financial instruments which enable the Fund to restore the securities borrowed at the end of the transaction.
 6. Securities borrowing transactions cannot be extended beyond a period of thirty (30) days or exceed 50% of the overall value of the securities in the portfolio of each sub-fund.
 7. The Fund may only enter into securities borrowing transactions in the following exceptional circumstances: (i) when the Fund is committed to sale of securities in its portfolio at a time when those securities are in the process of being registered with a government authority and are therefore not available; (ii) when the securities which have been loaned are not restored at the correct time; and (iii) in order to avoid a promised delivery of securities not taking place in the case where the Depositary might fail in its obligation to deliver the securities in question.
 8. With respect to securities lending, the Fund will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least the total value of the securities lent (interest, dividends and other potential rights included). Repurchase agreement and reverse repurchase agreements will generally be collateralised, at any time during the lifetime of the agreement, at least their notional amount.
1. In its financial reports, the Fund must disclose:

- * the exposure obtained through efficient portfolio management techniques;
- * the identity of the counterparty(ies) to these efficient portfolio management techniques;
- * the type and amount of collateral received by the Fund to reduce counterparty exposure;
- * the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred

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

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 43 the 2010 Law.

Any direct and indirect operational costs and fees arising from efficient portfolio management techniques will be deducted from the revenue delivered to the Fund.

These costs and fees will not include hidden revenue.

Positive returns arising from the use of efficient portfolio management techniques will be solely for the benefit of the relevant Sub-Fund(s). Any direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these efficient portfolio management techniques will be disclosed in the annual report of the Fund.

Before a Sub-Fund enters into any arrangement regarding efficient portfolio management techniques, the Management Company or, where applicable, the Investment Manager will be required to

- (a) carefully estimate the expected costs and fees and to compare them with the applicable market standard (if any) and
- (b) evaluate whether the use of the efficient portfolio management techniques is in the best interest of the Shareholders of the relevant Sub-Fund(s).

SPECIFIC RISKS LINKED TO SECURITIES LENDING AND REPURCHASE TRANSACTIONS

In relation to repurchase transactions, investors must notably be aware that

1. in the event of the failure of the counterparty with which cash of the Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded;
2. (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realizing collateral may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvestment;
3. repurchase transactions will, as the case may be, further expose the Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of this prospectus.

In relation to securities lending transactions, investors must notably be aware that

1. if the borrower of securities lent by the Fund fail to return these there is a risk that the collateral received may realize less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded;

2. in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Fund to meet delivery obligations under security sales

REPURCHASE AGREEMENTS (EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES)

A Sub-Fund may, if provided in the relevant Appendix, enter into sale with right of repurchases transactions ("*achat de titres à r  m  r  *") as well as reverse repurchase transactions ("*op  rations de prise en pension*") and repurchase agreement transactions ("*vente de titres    r  m  r  *") in accordance with the provisions of Circular 08/356, Circular 13/559 and ESMA Guidelines 2012/832.

The Fund may act as either purchaser or seller in repurchase transactions. However, its involvement in such agreements is subject to the following regulations:

1. The Fund may not buy or sell securities using a repurchase transaction unless the contracting partner in such transactions is a first-class financial institution that has specialised in this type of transactions.
2. During the term of a repurchase contract, the Fund may only sell the securities which are the object of the contract if the contracting partner agrees to a premature repurchase of the securities, or the repurchase term has expired.
3. In its financial reports, the Fund must disclose:
 - * the exposure obtained through efficient portfolio management techniques;
 - * the identity of the counterparty(ies) to these efficient portfolio management techniques;
 - * the type and amount of collateral received by the Fund to reduce counterparty exposure;
 - * the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

The Fund must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the Net Asset Value of the relevant Sub-Funds.

The Fund must further ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

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

As there are currently no securities lending nor repurchase agreements applied by the Fund /the respective Sub-Fund Particulars do not show any fees charged in this respect. The prospectus will be updated accordingly reflecting the respective fees charged to the Sub-Funds as soon as securities lending and/or repurchase agreements will be applied.

General

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, the Fund may receive collateral with a view to reduce its counterparty risk.

This section sets out the collateral policy applied by the Fund in such case. All assets received by the Fund in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

Eligible collateral

Collateral received by the Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability.

In particular, collateral should comply with the following conditions:

1. **Liquidity** – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
2. **Valuation** – the collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
3. **Issuer credit quality** – the collateral received should be of high quality.
4. **Correlation** – the collateral received by the Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
5. **Collateral diversification (asset concentration)** – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
6. The Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
7. Where there is a title transfer, the collateral received should be held by the Depositary . For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
8. The Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Fund may consist of:

- (B) Cash and cash equivalents, including short-term bank certificates and money market instruments,
- (C) Bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope,

- Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a high rating,

(D) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in the two points below,

(E) Bonds issued or guaranteed by first class issuers offering adequate liquidity, or

(F) Shares admitted to or dealt in on a Regulated Market of a Member State or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

Level of collateral

The level of collateral required across all efficient portfolio management techniques or OTC derivatives will be at least 100% of the exposure to the relevant counterparty. This will be achieved by applying the haircut policy set out below.

Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund's Agents for each asset class based on a variety of factors, depending on (i) the nature of the collateral received, such as the issuer's credit standing, (ii) the maturity, (iii) the currency, (iv) price volatility of the assets and, where applicable, (v) the outcome of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions, (vi) the evaluation methodologies applied.

No haircut will generally be applied to cash collateral.

In case of non-cash collateral, a haircut will be applied. The Investment Manager will only accept non-cash collateral which does not exhibit high price volatility.

The non-cash collateral received on behalf of the SICAV will typically be government debts and supranational debt securities.

For non-cash collateral, a haircut of 0% to 15% will be applied as follows:

Eligible Collateral	Remaining Maturity	Haircut applied
Cash	N/A	0%
Government Bonds	One year or under	1%
	More than one year up to and including five years	3%
	More than five years up to and including ten years	5%
	More than ten years up to and including thirty years	10%
	More than thirty years up to and including forty years	15%
	More than forty years up to and including fifty years	15%

(The Management Company reserves the right to vary this policy at any time in which case this prospectus shall be amended accordingly, subject to CSSF approval)

Reinvestment of collateral

Non-cash collateral received should not be sold, re-invested or pledged.

Cash collateral received should only be:

- placed on deposit with entities prescribed in Article 50 (f) of the Directive 2009/65/EC;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

The re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

A Sub-Fund may incur a loss in reinvesting the cash collateral it receives.

Such a loss may arise due to a decline in the value of the investment made with cash collateral received.

A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. A Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

The above provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2012/832 and CSSF circular 14 / 592 on ETFs and other UCITS issues and/or any additional guidance issued from time to time by the Regulatory Authority in relation to the above.

RISK CONSIDERATIONS

Potential investors in shares should be aware that considerable financial risks are involved in an investment in any of the Sub-Funds. The value of the shares may increase or decrease depending on the development of the value of the Sub-Fund's investments. For this reason, potential investors must carefully consider all information in the Prospectus before deciding to buy shares. In particular, they should in any case consider the following significant and relevant risks as well as the investment policy of Sub-Funds.

A Sub-Fund may own securities of different types, or from different asset classes, equities, bonds, money market instruments, derivatives depending on the Sub-Fund's investment objectives. Different investments have different types of investment risk. The Sub-Funds also have different kinds of risk, depending on the securities they own.

Below is a summary of the various types of investment risk that may be applicable to the Sub-Funds. Depending on their investment policy, the Sub-Funds may be exposed to specific risks including those mentioned below. Sub-Funds may not necessarily be exposed to all the risks listed below. Specific risks of the Sub-Funds may be disclosed in Section I headed "Description of the available Sub-Funds".

Prospective investors should read the entire Prospectus and consult with their legal, tax and financial advisers before making any decision to invest in any Sub-Funds.

Risk of use of financial derivative instruments

Financial derivative instruments are subject to a variety of risks mentioned in this section including but not limited to:

Basis Risk

Financial derivative instruments can be subject to basis risk: in adverse market conditions the price of the derivative instrument, such as interest rate swaps, total return swaps and credit default swaps, might not

be perfectly correlated with the price of the underlying asset. This could have an adverse effect on investment returns.

Leverage risk

The Sub-Fund may make use of derivative instruments, techniques or structures. They may be used for hedging risks, and for achieving investment objectives and ensuring efficient portfolio management. These instruments may present a leverage effect, which will increase the Sub-Fund's sensitivity to market fluctuations. The risk of derivative instruments, techniques or structures will always be limited within the conditions of the Sub-Fund's integral risk management. Given the leverage effect embedded in derivative instruments, such investments may result in higher volatility or even a total loss of the Sub-Fund's assets within a short period of time.

Risk introduced by short synthetic positions

The Sub-Fund may use derivatives to take short synthetic positions in some investments. Should the value of such investment increase, it will have a negative effect on the Sub-Fund's value. In extreme market conditions, the Sub-Fund may be faced with theoretically unlimited losses. Such extreme market conditions could mean that investors could, in certain circumstances, face minimal or no returns, or may even suffer a loss on such investments.

Hedging transactions risks for certain classes

The attention of the investors is drawn to the fact that the Sub-Funds of the Fund have several classes of shares which distinguish themselves by, *inter alia*, their reference currency as well as currency hedging, inflation hedging or duration hedging at class level. Investors are therefore exposed to the risk that the Net Asset Value of a class can move unfavourably vis-à-vis another class as a result of hedging transactions performed at the level of the hedged class.

Valuation risk

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued, which may prejudice the independence of such valuations. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value of a Sub-Fund.

Counterparty and collateral risks

In relation to financial derivatives, Investors must notably be aware that (A) in the event of the failure of the counterparty there is the risk that collateral received may yield less than the exposure on the counterparty, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) delays in recovering cash collateral placed out, or (ii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment.

Risk of lending financial instruments

The entering by the Sub-Fund into securities lending transactions, as contemplated in Section II, sub-section 13 "Investment Guidelines" of this Prospectus involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Investors must notably be aware that in case of default, bankruptcy or insolvency of the borrower of securities lent by the Sub-Fund, there is a risk of delay in recovery (that may restrict the ability of the Sub-Fund to meet delivery obligations under security sales or payment obligations arising from sale requests) or even loss of rights in collateral received, which risks are mitigated by a careful creditworthiness analysis of borrowers to determine their degree of risk for said borrowers to become involved in insolvency/bankruptcy proceedings within the timeframe contemplated by the loan.

The Sub-Fund may reinvest the cash collateral received from borrowers. There is a risk that the value or return of the reinvested cash collateral may decline below the amount owed to those borrowers, and those losses may exceed the amount earned by the Sub-Fund on lending the securities.

Risk of repurchase agreements

The entering by the Sub-Fund into repurchase transactions, as contemplated in Section II, sub-section 13 "Investment Guidelines" of this Prospectus involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Investors must notably be aware that (1) in the event of the failure of the counterparty with which cash of the Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (2) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet sale requests, security purchases or, more generally, reinvestment.

The counterparties to repurchase agreement transactions must have a minimum credit rating of A- or better, as rated by Standard & Poor's, Moody's or Fitch, at the time of the transactions. The collateral received by the Sub-Fund in respect of repurchase agreements transactions may be US Treasury bills or US government agency bonds supported by the full faith and credit of the US government. Any incremental income generated from repurchase agreement transactions will be accrued to the relevant Fund.

Market Risk

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

Securitised or Structured Debt Instruments

The Sub-Funds may invest in securitised or structured debt instruments (collectively referred to as structured products).

Such instruments include asset-backed securities, mortgage-backed securities, collateralized debt instruments and collateralized loan obligations. Structured products provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. Some of such products involve multiple instruments and cash flow profiles such that it is not possible to predict with certainty the outcome from all market scenarios. Also the price of such an investment could be contingent on, or highly sensitive to, changes in the underlying components of the structured instrument. The underlying assets can take many forms including, but not limited to, credit card receivables, residential mortgages, corporate loans, manufactured housing loans or any type of receivables from a company or structured vehicle that has regular cash flows from its customers. Some structured products may employ leverage which can cause the price of the instruments to be more volatile than if they had not employed leverage. In addition investments in structured products may be less liquid than other securities. The lack of liquidity may cause the current market price of assets to become disconnected from the underlying assets' value and consequently funds investing in securitized products may be more susceptible to liquidity risk. The liquidity of a structured product can be less than a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

Credit Risk

This risk is present in each Sub-Fund having debt securities in its investment universe.

This is the risk that may derive from the rating downgrade or the default of a bond issuer to which the Sub-Funds are exposed, which may therefore cause the value of the investments to go down. Such risks relate to the ability of an issuer to honour its debts.

Downgrades of an issue or issuer rating may lead to a drop in the value of bonds in which the Sub-Fund has invested.

Some strategies utilised may be based on bonds issued by issuers with a high credit risk (junk bonds).

Sub-funds investing in high-yield bonds present a higher than average risk due to the greater fluctuation of their currency or the quality of the issuer.

Liquidity Risk

This risk may potentially concern all financial instruments and so at one moment impact one or several Sub-Funds.

There is a risk that investments made by the Sub-Funds may become illiquid due to an over-restricted market (often reflected by a very broad bid-ask spread or by substantial price movements), if their “rating” declines or if the economic situation deteriorates; consequently, it may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in these Sub-Funds.

Counterparty Risk

This risk relates to the quality or the default of the counterparty with which the management company negotiates, in particular involving payment for/delivery of financial instruments and the signing of agreements involving forward financial instruments. This risk is associated with the ability of the counterparty to fulfil its commitments (for example: payment, delivery and reimbursement). This risk also relates to efficient portfolio management techniques and instruments.

Operational & Custody Risk

Some markets are less regulated than most of the international markets; hence, the services related to custody and liquidation for the funds on such markets could be more risky.

Derivatives Risk

In order to hedge (hedging derivative investments strategy), and/or to leverage the yield of the Sub-Fund (trading derivative investment strategy), the Sub-Fund is allowed to use derivative investments' techniques and instruments as further described in the relevant Sub-Fund's particular and/or under Section 13 “Investment Guidelines” (in particular, warrants on securities, agreements regarding the exchange of securities, rates, currencies, inflation, volatility and other financial derivative instruments, contracts for difference (CFDs), credit default swaps (CDSs), futures and options on securities, rates or futures).

The investor's attention is drawn to the fact that these derivatives include leveraging. Because of this, the volatility of these sub-funds is increased.

Contracts for differences

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

Risk linked to Equity Markets

This risk is present in each Sub-Fund having equities in its investment universe.

The risks associated with investments in equity (and similar instruments) include significant fluctuations in prices, negative information about the issuer or market and the subordination of a company's shares to its bonds. Moreover, these fluctuations are often amplified in the short term.

The risk that one or more companies suffer a downturn or fail to grow can have a negative impact on the performance of the overall portfolio at a given time. There is no guarantee that investors will see an appreciation in value. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial investment.

There is no guarantee that the investment objective will actually be achieved.

Some Sub-Funds may invest in initial public offerings ("IPOs"). In this case, there is a risk that the price of the newly floated share may see greater volatility as a result of factors such as the absence of an existing public market, non-seasonal transactions, the limited number of securities that can be traded and a lack of information about the issuer.

A Sub-Fund may hold such securities for only a very short time, which tends to increase the costs.

Sub-funds investing in growth stocks may be more volatile than the market in general and may react differently to economic, political and market developments and to specific information about the issuer. Growth stocks traditionally show higher volatility than other stocks, especially over short periods. These stocks may also be more expensive in relation to their profits than the market in general.

Consequently, growth stocks may react with more volatility to variations in profit growth.

Some Sub-Funds may base their objective on simple equity market growth, which produces higher than average volatility.

Managers may temporarily adopt a more defensive attitude if they consider that the equity market or economy of the countries in which the Sub-Fund invests is experiencing excessive volatility, a persistent general decline, or other unfavourable conditions. In such circumstances, the Sub-Fund may be unable to pursue its investment objective.

Interest Rate Risk

This risk is present in each Sub-Fund having debt securities in its investment universe.

The value of an investment may be affected by interest rate fluctuations. Interest rates may be influenced by several elements or events, such as monetary policy, the discount rate, inflation, etc.,

The investor's attention is drawn to the fact that an increase in interest rates results in a decrease in the value of investments in bonds and debt instruments.

Low Interest Rate Consequence

This risk is present in each Sub-Fund having debt securities in its investment universe.

A very low level of interest rates may affect the return on short term assets held by monetary funds which may not be sufficient to cover management and operating costs leading to there a structural decrease of the net asset value of the Sub-Fund.

Currency Exchange Risk

This risk is present in each Sub-Fund having positions denominated in currencies that differ from its reference currency.

A Sub-Fund may hold assets denominated in currencies that differ from its reference currency, and may be affected by exchange rate fluctuations between the reference currency and the other currencies and by changes in exchange rate controls. If the currency in which a security is denominated appreciates in relation to the reference currency of the Sub-Fund, the exchange value of the security in the reference currency will appreciate; conversely, a depreciation of the denomination currency will lead to a depreciation in the exchange value of the security.

When the manager is willing to hedge the currency exchange risk of a transaction, there is no guarantee that such operation will be completely effective.

Inflation Risk

All types of investments are concerned by this risk.

Over time, yields of short-term investments may not keep pace with inflation, leading to a reduction in an investment's purchasing power.

Taxation Risk

The value of an investment may be affected by the application of tax laws in various countries, including withholding tax, changes in government, economic or monetary policy in the countries concerned. As such, no guarantee can be given that the financial objectives will actually be achieved.

Commodity Market Risk

This risk is present in each Sub-Fund having commodities (indirectly invested) in its investment universe. Commodity markets may experience significant, sudden price variations that have a direct effect on the valuation of shares and securities that equate to the shares in which a Sub-Fund may invest and/or indices that a Sub-Fund may be exposed to.

Moreover, the underlying assets may evolve in a markedly different way from traditional securities markets (equity markets, bond markets, etc.)

Emerging Market Risk

This risk is present in each Sub-Fund having emerging market investments in its investment universe.

Sub-Funds investing in emerging markets are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions (social, political and economic conditions). In addition, some emerging markets offer less security than the majority of international developed markets. For this reason, services for portfolio transactions, liquidation and conservation on behalf of funds invested in emerging markets may carry greater risk.

The Fund and investors agree to bear these risks.

With regards to the Russian market, investments there are made with the Russian Trading System Stock Exchange (or "RTS Stock Exchange"), which brings together a large number of Russian issuers and allows for almost total coverage of the Russian equity universe. By investing with the RTS Stock Exchange, investors can take advantage of the liquidity of the Russian market without having to deal in the local currency, as all issuers can be directly traded in USD.

Small Cap, Specialised or Restricted Sectors Risk

This risk is present in each Sub-Fund having small caps, specialised or restricted sectors investments in its investment universe.

Sub-Funds investing in small caps or specialised or restricted sectors are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions.

Smaller companies may find themselves unable to generate new funds to support their growth and development, they may lack vision in management, or they may develop products for new, uncertain markets.

The Company and investors agree to bear these risks.

Conflict of Interests

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

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

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

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

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

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

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

The Management Company and / or Pharos Management S.A. will ensure that such transactions are effected on terms that are at least as favorable to the SICAV and it's Sub-Fund than if the potential conflict had not existed.

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

The Management Company or Pharos Management S.A. can act as counterparty for financial derivative contracts entered into by the SICAV or its Sub-Funds.

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

As part of its financial planning, the Management Company and/or Pharos Management S.A may also hedge the risk of its investments in any Share Class with the intention of reducing all or part of its exposure to such investments.

Risk linked to efficient portfolio management techniques

This risk is present in each Sub-Fund using efficient portfolio management techniques.

Efficient portfolio management techniques, such as securities lending, repurchase and reverse repurchase transactions, and particularly with respect to the quality of the collateral received / reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the Sub-Fund concerned.

Warrant Risk

The investor's attention is drawn to the fact that warrants are complex, volatile, high-risk instruments: the risk of a total loss of the invested capital is great. In addition, one of the principal characteristics of warrants is the "leverage effect", which is seen in the fact that a change in the value of the underlying asset can have a disproportionate effect on the value of the warrant. Finally, there is no guarantee that, in the event of an illiquid market, it will be possible to sell the warrant on a secondary market.

Risks related to investments in some countries

Investments in some countries (China, India, Indonesia, Japan, Saudi Arabia and Thailand) involve risks linked to restrictions imposed on foreign investors and counterparties, higher market volatility and the risk of lack of liquidity for some lines of the portfolio.

Consequently, some shares may not be available to the Sub-Fund due to the number of foreign shareholders authorised or if the total investments permitted for foreign shareholders have been reached. In addition, the repatriation by foreign investors of their share of net profits, capital and dividends may be restricted or require the approval of the government. The Fund will only invest if it considers that the restrictions are acceptable. However, no guarantee can be given that additional restrictions will not be imposed in future.

