



## PROSPECTUS

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### VAN ECK

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

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February 2016

## IMPORTANT INFORMATION

**IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

The Directors, whose names appear on page v, accept responsibility for the information contained in this document. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. The Directors accept responsibility accordingly.

Van Eck (the "**SICAV**") is an investment company organised under the laws of the Grand Duchy of Luxembourg as a *société d'investissement à capital variable* and is governed by Part I of the UCI Law and qualifies as a UCITS.

No person has been authorised by the SICAV to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus or any other document approved by the SICAV or the Management Company, and, if given or made, such information or representations must not be relied on as having been made by the SICAV.

**A Key Investor Information Document ("KIID") for each available Class of Shares must be made available to investors free of charge prior to their subscription for Shares. Prospective investors must consult the KIID for the relevant Class of Shares in which they intend to invest. Requests for subscription or conversion of Shares will be accepted upon verification by the Central Administration that the Shareholder or prospective Shareholder, as applicable, has received the relevant KIID, each of which is available on the website of the Investment Manager at [www.vaneck.com](http://www.vaneck.com) or free of charge at the registered office of the SICAV upon request during normal business hours on any Business Day.**

This Prospectus may only be issued with one or more Supplements (each a "**Supplement**"), each containing information relating to a separate Sub-Fund. The creation of new Sub-Funds requires the prior approval of the CSSF. If there are different classes of Shares representing a Sub-Fund, details relating to the separate classes may be dealt with in the same Supplement or in a separate Supplement for each class. The creation of further classes of Shares will be effected in accordance with the requirements of the CSSF. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement). Copies of the Articles, the current Prospectus, the KIIDs and the latest periodical reports (audited annual report and unaudited semi-annual report) may be obtained free of charge upon request at the registered office of the SICAV, the Central Administration or from the Investment Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the SICAV have not changed since the date hereof.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the SICAV's Articles are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in Luxembourg (which may be subject to change) at the date hereof. The SICAV cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the SICAV that this is the most recently published Prospectus.

## **Restrictions on Distribution and Sale of Shares**

### *General*

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Articles give powers to the Board of Directors to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the SICAV are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which, in the opinion of the Board of Directors, might result in the SICAV incurring any liability or taxation or suffering any other disadvantage which the SICAV may not otherwise have incurred or suffered and, in particular, by any US Person. The SICAV may compulsorily redeem all Shares held by any such person.

### *Luxembourg*

The SICAV is registered pursuant to Part I of the UCI Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the assets of the SICAV or its investment strategy. Any representations to the contrary are unauthorised and unlawful.

### *European Union ("EU")*

The SICAV is a UCITS for the purposes of the UCITS Directive and the Board of Directors proposes to market the Shares in accordance with the UCITS Directive in certain Member States and in countries which are Non-Member States.

### *United States of America ("U.S.")*

The Shares have not been and will not be registered under the 1933 Act, the 1940 Act or the securities laws of any of the states of the U.S. or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico. The Shares may not be offered, sold or delivered directly or indirectly in the U.S. or to or for the account or benefit of any U.S. Person. The Shares are being offered outside the U.S.

## **Important Investor Disclosure**

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the SICAV. All or part of the fees and expenses may be charged to the capital of the SICAV. This will have the effect of lowering the capital value of the SICAV and correlatively of an investment in the SICAV. There can be no assurance that the investment objectives of the SICAV will be achieved. Investors should read and consider the section entitled "Risk Factors" before investing in the SICAV.

The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may not get back the amount he/she/it initially invested. Income from the Shares may

fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from, taxation may change.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion, redemption or disposal of the Shares of the SICAV.

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

Further copies of this Prospectus may be obtained, upon request, from the SICAV or the Central Administration.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the prospectus in another language, the English language Prospectus as visa stamped by the CSSF will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the prospectus on which such action is based shall prevail.

## DIRECTORY

### VAN ECK

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

<b>Registered Office</b>	49, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg  RCS Luxembourg B 171819
<b>Board of Directors</b>	<u>Chairman and member:</u> Jonathan Simon, vice president and general counsel, Van Eck Associates Corporation, New York <u>Other members:</u> Revel Wood, CEO and conducting officer, FundRock Management Company S.A Eimear Cowhey, independent director Uwe Eberle, CEO and managing director of Van Eck Switzerland AG Jon Lukomnik, independent director Philipp Schlegel, managing director of Van Eck Switzerland AG
<b>Management Company</b>	FundRock Management Company S.A 33, rue de Gasperich L-5826 Hesperange Grand Duchy of Luxembourg  <b>Conducting officers</b> Ms Gudrun Goebel Mr. Revel Wood Mr. Ross Thomson Mr. Christophe Douche Ms. Aline Zanette
<b>Investment Manager (by delegation of the Management Company)</b>	Van Eck Associates Corporation 666 Third Avenue 9 <sup>th</sup> Floor New York 10017-4033 United States of America
<b>Central Administration (by delegation of the Management Company)</b>	State Street Bank Luxembourg S.C.A. 49, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg

<b>Depository</b>	State Street Bank Luxembourg S.C.A. 49, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
<b>Independent Auditor</b>	PricewaterhouseCoopers, S.c. 2, rue Gerhard Mercator L-2182 Luxembourg Grand Duchy of Luxembourg
<b>Global Distributor (by delegation of the Management Company)</b>	Van Eck Switzerland AG, Churerstrasse 23, 8808 Pfaeffikon SZ, Switzerland
<b>Legal Advisers</b>	Elvinger Hoss Prussen 2, Place Winston Churchill L-1340 Luxembourg Grand Duchy of Luxembourg

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## DEFINITIONS

"Accumulation Shares"	Shares in respect of which income, if any, is accumulated and included in the Net Asset Value of such Shares
"Articles"	the articles of incorporation of the SICAV, as may be amended from time to time
"Board", "Board of Directors" or "Directors"	the members of the board of directors of the SICAV and any successors to such members as may be appointed from time to time
"Business Day"	means any full day (other than Saturday, Sunday or a day that is a full or a partial bank holiday in Luxembourg) on which banks are open for business in the Grand Duchy of Luxembourg
"Central Administration"	by delegation of the Management Company, State Street Bank Luxembourg S.C.A.
"Central Administration Agreement"	the agreement pursuant to which the Central Administration is appointed by the Management Company as central administration, registrar and transfer agent and by the SICAV as paying agent, listing agent, domiciliary and corporate agent, as may be amended from time to time
"CSSF"	the Luxembourg supervisory authority, currently the <i>Commission de Surveillance du Secteur Financier</i> , or its successor in charge of the supervision of, <i>i.a.</i> , UCIs and the SICAV in the Grand Duchy of Luxembourg
"Currency Settlement Day"	any day on which the corresponding currency of the relevant share class may settle
"Custodian Agreement"	the agreement pursuant to which the Depositary is appointed as custodian for the SICAV, as may be amended from time to time
"Cut-Off Time"	such time limit fixed for accepting orders of subscription, redemption and exchange for a Dealing Day and after which orders for subscription, redemption or exchange will not be accepted anymore, as specified in the relevant Supplement for a Sub-Fund
"Dealing Day"	in respect of a Sub-Fund or Class thereof, the Business Day as of which Shares of that Sub-Fund or Class are subscribed, redeemed and/or exchanged for Shares of another Class of the same Sub-Fund or for the same or another Class of another Sub-Fund, as specified in the relevant Supplement for each Sub-Fund
"Depositary"	State Street Bank Luxembourg S.C.A.
"EU"	the European Union



"EUR" or "Euro"	the unit of the European single currency
"EU Savings Directive"	the EU Council Savings Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments, as amended
"FROC" or "Fixed Rate of Operating Costs"	the fixed rate as set for each Class of each Sub-Fund from time to time by the Directors, to be paid by the SICAV on behalf of a Sub-Fund for the relevant Class of Shares (as the case may be on a prorata basis) for Operating Costs and Expenses
"Global Distribution Agreement"	the agreement pursuant to which the Global Distributor is appointed as global distributor of the Shares of the SICAV by the Management Company, as may be amended from time to time
"Global Distribution Fee"	the fee payable by the SICAV to the Global Distributor, as specified for each Sub-Fund in the relevant Supplement
"Global Distributor"	by delegation of the Management Company, Van Eck Switzerland AG, a Swiss corporation
"Group of Companies"	companies belonging to the same group of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts, as amended or in accordance with recognised international accounting rules
"Income Shares"	Shares in respect of which income, if any, is distributed periodically to Shareholders
"Independent Auditor"	PricewaterhouseCoopers, S.c., a Luxembourg company
"Ineligible Applicant"	any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the Directors, might: <ul style="list-style-type: none"> <li>a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or</li> <li>b) require the SICAV, the Management Company, the Investment Manager, the Global Distributor or any sub-distributor to be registered under any law or regulation, whether as an investment fund or otherwise, or cause the SICAV to be required to comply with any registration (or notification) requirements in respect of any of its Shares, whether in the U.S. or any other jurisdiction; or</li> </ul>

	c) cause the SICAV, its Shareholders or the Management Company some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the SICAV, its Shareholders or the Management Company might not otherwise have incurred or suffered
"Initial Offer Period"	the period or date set by the Directors in relation to any Sub-Fund or Class of Shares as the period or date during which or on which Shares are initially on offer and issued on the last Business Day of that period or on that date (this information being available at the registered office of the Fund and on the following website <a href="http://www.vaneck.com/UCITS">www.vaneck.com/UCITS</a> )
"Initial Offer Price"	the initial price payable for a Share on the first Dealing Day (this information being available at the registered office of the Fund and on the following website <a href="http://www.vaneck.com/UCITS">www.vaneck.com/UCITS</a> )
"Investment Management Agreement"	the agreement pursuant to which the Investment Manager is appointed as investment manager of the Sub-Funds of the SICAV by the Management Company, as may be amended from time to time
"Investment Management Fee"	the fee payable by the SICAV to the Investment Manager, as specified for each Sub-Fund in the relevant Supplement
"Investment Manager"	by delegation of the Management Company, Van Eck Associates Corporation, a Delaware corporation
"KIID"	the key investor information document issued for a Class of Shares, each as may be amended or supplemented from time to time
"Luxembourg"	the Grand Duchy of Luxembourg
"Luxembourg GAAP"	Luxembourg generally accepted accounting principles
"Management Company"	FundRock Management Company S.A., acting in its capacity as designated management company of the SICAV
"Management Company Agreement"	the management company agreement pursuant to which the Management Company is appointed as designated management company of the SICAV, as may be amended from time to time
"Management Company Fee"	the fee payable by the SICAV to the Management Company, as specified for each Sub-Fund in the relevant Supplement
"Member State"	a member state of the EU. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the EU, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the EU

"Mémorial C"	the <i>Mémorial C, Recueil Spécial des Sociétés et Associations</i> (i.e. the official gazette of the Grand Duchy of Luxembourg)
"Minimum Additional Subscription"	the minimum additional investment for each Class of Shares, if any, as specified for each Share Class under the section headed "The Shares"
"Minimum Holding"	the minimum holding for each Class of Shares, if any, as specified for each Share Class under the section headed "The Shares"
"Minimum Subscription"	the minimum initial investment for each Class of Shares, if any, as specified for each Share Class under the section headed "The Shares"
"Money Market Instruments"	instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by UCI Law and any regulations, circulars or guidelines issued by the CSSF from time to time
"Net Asset Value"	the net asset value of the SICAV, a Sub-Fund or a Class, as the context requires, as calculated in accordance with the Articles
"Net Asset Value per Share"	the Net Asset Value divided by the number of Shares of the SICAV, the relevant Sub-Fund or Class in issue at the relevant time, respectively
"Non-Member State"	any state of Europe, America, Africa, Asia, Australia and Oceania which is not a Member State
"OECD"	the Organisation for Economic Co-operation and Development
"Operating Costs and Expenses"	the ordinary operating costs, fees and other expenses (including <i>inter alia</i> depositary fees, central administration fees such as registrar and transfer agency fees, paying agency fees, domiciliary and corporate agent fees, <i>taxe d'abonnement</i> , Directors fees, fees and expenses of Auditors, legal advisers as further described under the heading "Fees and Expenses" of the Prospectus) to be paid by the SICAV on behalf of each Sub-Fund for the relevant Class of Shares. The Operating Costs and Expenses exclude the Management Company Fee, the Investment Management Fee, the Global Distribution Fee, transaction costs and extraordinary expenses as further detailed under the heading " Fees and Expenses" of the Prospectus
"OTC"	over-the-counter

"Other Regulated Market"	market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a state or by a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public
"Prospectus"	this Prospectus, as amended or supplemented from time to time
"Publication Day"	in respect of a Dealing Day, the Business Day as of which the Central Administration publishes the applicable Net Asset Value, as specified for each Sub-Fund in the relevant Supplement
"Redemption Price"	the price per Share at which Shares may be redeemed, determined in the manner described under section entitled "Redemptions" of this Prospectus
"Reference Currency"	the base currency of the SICAV, the relevant Class or the relevant Sub-Fund, as the context requires
"Regulated Market"	a regulated market within the meaning of directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments
"SEC"	the U.S. Securities and Exchange Commission
"Share" or "Shares"	share(s) of any Class or Sub-Fund in the SICAV, as the context requires
"Share Class" or "Class of Shares" or "Class"	all of the Shares issued by the SICAV as a particular class of Shares relating to a single Sub-Fund
"Shareholder"	a holder of Shares in the SICAV
"SICAV"	Van Eck, an investment company organised under the laws of the Grand Duchy of Luxembourg as a <i>société d'investissement à capital variable</i> , governed by Part I of the UCI Law and qualifying as a UCITS

"Sub-Fund"	a sub-fund of the SICAV representing the designation by the Directors of a particular Class of Shares as a sub-fund the proceeds of issue of which are pooled separately and segregated from each other and invested in accordance with the investment objective and investment policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the CSSF
"Subscription Price"	the price per Share at which Shares may be issued after the first Dealing Day relating to the Initial Offer Period determined in the manner described under section entitled "Subscriptions" of this Prospectus
"Supplement"	a supplement to this Prospectus specifying certain information in respect of a Sub-Fund and/or one or more Classes thereof and which forms an integral part of this Prospectus
"Transferable Securities"	(i) shares and other securities equivalent to shares (" <b>shares</b> ");  (ii) bonds and other debt instruments (" <b>debt securities</b> "); and  (iii) any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as Techniques and Instruments as described in Appendix 1 of this Prospectus
"UCI(s)"	undertaking(s) for collective investment within the meaning of the first and second indents of Article 1 (2) of the UCITS Directive
"UCI Law"	the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended
"UCITS"	an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive
"UCITS Directive"	directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time
"U.S."	United States of America
"USD" or "US Dollar"	the unit of the U.S. single currency

"US Person"	means (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (iii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US Persons have the authority to control all substantial decisions of the trust or (iv) an estate which is subject to US tax on its worldwide income from all sources. In addition, the term US Person includes any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set out in full in each application form and in Appendix 2 of this Prospectus
"Valuation Day"	in respect of a Dealing Day, the Business Day as of which the Central Administration determines the applicable Net Asset Value per Share of a Sub-Fund or Class thereof, as specified for each Sub-Fund in the relevant Supplement
"1933 Act"	U.S. Securities Act of 1933, as amended
"1940 Act"	U.S. Investment Company Act of 1940, as amended
"2004 Law"	Luxembourg law of 12 November 2004 on the fight against money laundering and terrorism financing, as amended

In this Prospectus the words and expressions set out in the first column above shall have the meanings set opposite to them unless the context otherwise requires.

## THE SICAV AND THE SUB-FUNDS

### General

The SICAV is an open-ended investment company incorporated under the laws of Luxembourg as a *société d'investissement à capital variable* ("**SICAV**") in accordance with the provisions of Part I of the UCI Law. The SICAV was incorporated for an unlimited period on 27 September 2012 under the name of Van Eck. The Articles were published in the Mémorial C on 17 October 2012. The Articles were amended by a notarial deed on 19 November 2014 and amendments to the Articles were published in the Mémorial C on 6 February 2015. The SICAV is registered with the Luxembourg Trade and Companies' Register under number B 171819.

The SICAV has appointed FundRock Management Company S.A as its designated management company, within the meaning of Part I of the UCI Law. Further details on the Management Company are provided below under the section "Management Company".

The SICAV's financial statements will be prepared in accordance with Luxembourg GAAP. The combined accounts of the SICAV are maintained in US Dollar being the Reference Currency of the SICAV. The financial statements relating to the separate Sub-Funds shall also be expressed in the Reference Currency of the relevant Sub-Fund.

### The Sub-Funds

The SICAV is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Sub-Funds. The specific features of each Sub-Fund are detailed in its relevant Supplement.

At all times the SICAV's capital will be equal to the Net Asset Value of the SICAV and shall not fall below the minimum capital required by Luxembourg law.

The Directors may establish additional Sub-Funds from time to time in respect of which a Supplement or Supplements will be issued with the prior approval of the CSSF.

The assets of each Sub-Fund will be segregated from one another and will be invested in accordance with the investment objectives and investment policies applicable to each such Sub-Fund and as set out in the relevant Supplement. Pursuant to Article 181 of the UCI Law, each Sub-Fund corresponds to a distinct part of the assets and liabilities of the SICAV, i.e. the assets of a Sub-Fund are exclusively available to satisfy the rights of investors in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation and operation of that Sub-Fund.

The liabilities of a particular Sub-Fund (in the event of a winding up of the SICAV or a repurchase of the Shares in the SICAV or all the Shares of any Sub-Fund) shall be binding on the SICAV but only to the extent of the particular Sub-Fund's assets and in the event of a particular Sub-Fund's liabilities exceeding its assets, recourse shall not be made against the assets of another Sub-Fund to satisfy any such deficit.

The Reference Currency of each Sub-Fund/Class is set out in the relevant Supplement.

Shares of a Sub-Fund may be listed on the Luxembourg Stock Exchange or on another stock exchange. The Board of Directors will decide, in its absolute discretion, whether Shares of a particular Sub-Fund are to be listed on any stock exchange. The relevant Supplement will specify if the Shares of a particular Sub-Fund are so listed.

## **Investment Objectives and Policies of the Sub-Funds**

The Board of Directors shall have power to determine the corporate and investment objectives and policy of the SICAV and each Sub-Fund thereof, and the course of conduct of the management and business affairs of the SICAV. Details of the investment objective, investment policies and major terms relating to an investment in a Sub-Fund will be set out in the relevant Supplement.

If and to the extent that voting rights attached to instruments held in the portfolio of a Sub-Fund will be exercised on behalf of that Sub-Fund, a summary description of the strategies followed in the exercise of such rights, as well as the actions taken on the basis of those strategies, will be made available to investors upon their specific request addressed to the Management Company or the Investment Manager.

### **Profile of a Typical Investor**

The profile of a typical investor of a Sub-Fund will be set out in the relevant Supplement.

The choice of specific Sub-Funds should be determined by the investor's attitude to risk, preference for income or growth, intended investment time horizon and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

## **The Shares**

### **Classes of Shares**

Each Sub-Fund may offer more than one Class of Shares. Each Class of Shares may have different features with respect e.g. to its criteria for subscription, redemption, minimum holding, fee structure, currency and dividend policy. The Board of Directors may, at its discretion, decide to change such features in accordance with the procedures determined by the Board of Directors from time to time. The Minimum Subscription, Minimum Additional Subscription and/or Minimum Holding for any Sub-Fund or Class of Shares may be waived or reduced at the absolute discretion of the Directors, provided the principle of equal treatment of Shareholders is complied with. A separate Net Asset Value per Share will be determined for each Class.

At the time of this Prospectus, the Board has decided that the following Classes of Shares may be issued:

- Eight Classes of Shares (R1, B, I1, I2, I3, I4, I5 and M) that differ mainly in terms of fees, type of investors and minimum initial investment and holding amount:
  - R1 Shares are available to all investors;
  - B Shares are reserved for institutional investors that have entered into a separate agreement and have received approval from the Board to invest in this Share Class;
  - I1 Shares, I2 Shares, I3 Shares, I4 Shares and I5 Shares are reserved for institutional investors;
  - M Shares are available to financial intermediaries whose clients are subscribing shares (either directly or through such financial intermediary) on the basis of such financial intermediary having discretion over a client's assets and such financial



intermediary has entered into agreement with Van Eck Switzerland AG to offer and/or sell Class "M" Shares.

- Each of the Classes of Shares may be available as Accumulation Shares ("**Acc**") and Income Shares ("**Inc**"). The respective distribution policy is described below under section "Distribution Policy";
- Each of the Classes of Shares may be offered in the Reference Currency disclosed in the Supplements or in any alternative and freely convertible currency;
- Each of the Classes of Shares may be hedged or unhedged. The abbreviation "hedge" shall be added to the name of the hedged Classes of Shares;
- Each of the Classes of Shares may have different valuation points, e.g. "snap" and "close", where the "snap" valuation point takes a value at a time other than at close. The abbreviation "snap" shall be added to the name of the "snap" Classes of Shares.

A list of Classes of Shares currently available for each Sub-Fund is available at the registered office of the Fund and on the website [www.vaneck.com/UCITS](http://www.vaneck.com/UCITS).

Further Classes may be created by the Board of Directors in accordance with the requirements of the CSSF.

### **Investment Restrictions**

Investment of the assets of each Sub-Fund must comply with the UCI Law. The investment and borrowing restrictions applying to the SICAV and each Sub-Fund are as set out in Appendix 1. The Directors may impose further restrictions in respect of any Sub-Fund. With the exception of permitted investments in unlisted securities or in units/shares of open-ended collective investment schemes or in OTC derivative contracts, investments will be made on Regulated Markets or Other Regulated Markets. Each Sub-Fund may also hold liquid assets on an ancillary basis.

### **Distribution Policy**

Accumulation Shares ("**Acc**") and Income Shares ("**Inc**") may be issued in relation to a particular Sub-Fund. The distribution policy applicable to each Class of Income Shares in relation to a particular Sub-Fund will be contained in the name of the relevant Class of Shares.

The Board of Directors reserves the right to introduce a distribution policy that may vary between Sub-Funds and between different Classes of Shares in issue. Subject to the relevant Supplement, the part of the year's net income corresponding to Accumulation Shares will not be paid to Shareholders and instead will be capitalised in the relevant Sub-Fund for the benefit of the Accumulation Shares.

Payments will be made in the Reference Currency of the relevant Class. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-Fund. In any event, no distribution may be made if, as a result thereof, the Net Asset Value of the SICAV would fall below the equivalent of EUR 1,250,000.-.

### **Publication of Net Asset Value per Share**

The Net Asset Value per Share may be obtained free of charge from, and will be available at the registered office of the SICAV, the Management Company, the Investment Manager and the Central Administration on the Publication Day, as specified for each Sub-Fund in the relevant

Supplement. The Net Asset Value per Share will also be available on the website of the Investment Manager at [www.vaneck.com](http://www.vaneck.com).

## **BOARD OF DIRECTORS**

The Board of Directors is responsible for the overall management and control of the SICAV in accordance with the Articles. The Board of Directors shall have the power to determine the corporate and investment objectives and policy of the SICAV and each Sub-Fund thereof, as well as the course of conduct of the management and business affairs of the SICAV.

The Directors will receive periodic reports from the Management Company and/or the Central Administration detailing the performance and analysing the investment portfolio of each Sub-Fund.

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the SICAV, subject to the powers reserved by law or the Articles to the general meeting of Shareholders.

## **MANAGEMENT COMPANY**

The SICAV has appointed FundRock Management Company S.A. to serve as its designated management company within the meaning of the UCI Law. The Management Company is responsible, subject to the overall supervision of the Directors, for the provision of investment management services, administrative services and marketing services to the SICAV.

FundRock Management Company S.A. is a public limited company (*société anonyme*) incorporated under Luxembourg laws on 10 November 2004 under the name RBS (Luxembourg) S.A. With effect from 1st January 2016, it changed its name to FundRock Management Company S.A. FundRock Management Company S.A. is authorised and regulated by the CSSF as a chapter 15 management company under the UCI Law and has also been authorised as alternative investment fund manager under the amended Law of 12 July 2013 on alternative investment fund managers. It is registered with the Luxembourg register of trade and companies under number B 104.196. and its share capital amounts to EUR 10.000.000.-.

The Management Company is managed by its board of directors; the conducting officers are Ms Gudrun Goebel, Mr. Revel Wood, Mr. Ross Thomson, Mr. Christophe Douche and Ms. Aline Zanette.

The board of directors of the Management Company is, at the date of this Prospectus, composed as follows:

- Kevin Brown, Chairman, Independent Non-Executive Director, London;
- Michel Vareika, Director (Non-Executive Director), Director of Companies, Luxembourg;
- Lorna Cassidy, Director, Head of Finance, FundRock Management Company S.A., Luxembourg;
- Gudrun Goebel, Director, Chief Operating Officer, FundRock Management Company S.A., Luxembourg;
- Henry C. Kelly, Director (Non-Executive Director), Managing Director, KellyConsult S.à r.l., Luxembourg;
- Eric May, Director, Founding Partner BlackFin Capital Partners, Paris, France; and

- Revel Wood, Chief Operating Officer, FundRock Management Company S.A, Luxembourg.

In addition to the SICAV, the Management Company also acts as management company for other funds. The list of funds managed by the Management Company is set out in the Management Company's annual reports and may be obtained upon request from the Management Company.

With the written prior consent of the Board of Directors and, to the extent required by applicable law, the approval of the CSSF, the Management Company is authorised to delegate all or part of its duties and powers to any person or entity, provided such duties and powers remain under the supervision and responsibility of the Management Company.

The relationship between the Management Company and the SICAV is subject to the terms of the Management Company Agreement which has been entered into for an unlimited period of time from the date of its execution. Each of the Management Company and the SICAV may terminate the Management Company Agreement on at least 90 calendar days' prior written notice. The Management Company Agreement may also be terminated on shorter notice in certain circumstances.

The Management Company Agreement contains provisions indemnifying the Management Company, and exempting the Management Company from liability, in certain circumstances.

## **INVESTMENT MANAGER**

The Management Company has appointed, with the consent of the Board of Directors and the approval of the CSSF, Van Eck Associates Corporation as the Investment Manager through an Investment Management Agreement.

Van Eck Associates Corporation is a Delaware corporation registered as an investment adviser with the SEC under the 1940 Act. Its principal office is at 335 Madison Avenue, 19th Floor, New York, NY 10017, United States of America. As one of the U.S. pioneers in international investments, Van Eck Associates Corporation assists investors in achieving diversification benefits through international investments. Van Eck Associates Corporation has more than 55 years of experience in research and investment business in the gold market and other natural resources markets. Today, their investment expertise spans commodities, emerging markets, and alternative investments.

Subject to the responsibility, supervision and direction of the Management Company, the Investment Manager will manage the investment and reinvestment of the cash and other assets of the Sub-Funds.

The Investment Manager shall provide its services in accordance with the investment policies and restrictions of the SICAV and its Sub-Funds, as described in this Prospectus and the relevant Supplements.

Pursuant to the Investment Management Agreement and with the prior consent of the Management Company and the SICAV and, to the extent required by applicable law, the approval of the CSSF, the Investment Manager is authorised to delegate, at its own expense and under its own responsibility, its functions, rights and obligations, either wholly or in part, to one or more qualified persons, entities or companies ("**sub-investment managers**"). Where necessary, details on the appointment of sub-investment managers are provided for each Sub-Fund in the appropriate Supplement.

In addition, the Investment Manager may, at its own expense and its own responsibility, call on the services of one or more investment advisors.

The relationship between the Investment Manager, the SICAV and the Management Company is subject to the terms of the Investment Management Agreement which has been entered into for an unlimited period of time from the date of its execution. Any of the Investment Manager, the SICAV or the Management Company may notably terminate the Investment Management Agreement on at least 90 calendar days' prior written notice. The Investment Management Agreement may also be terminated on shorter notice in certain circumstances.

The Investment Management Agreement contains provisions indemnifying the Investment Manager, and exempting the Investment Manager from liability, in certain circumstances.

## **CENTRAL ADMINISTRATION**

The Management Company has appointed, with the consent of the Board of Directors and the approval of the CSSF, State Street Bank Luxembourg S.C.A. as the Central Administration pursuant to the Central Administration Agreement entered into for an unlimited period of time from the date of its signature. The Central Administration will act as central administration agent, and in such capacity will carry out administrative duties related to the administration of the SICAV on behalf of the Management Company, including the determination of the Net Asset Value of the Shares and the provision of accounting services.

State Street Bank Luxembourg S.C.A. is a corporate partnership limited by shares (*société en commandite par actions*) incorporated under Luxembourg laws on 19 January 1990 and registered with the Luxembourg register of trade and companies under number B 32.771. Its registered office is located at 49 avenue John F. Kennedy, L-1855 Luxembourg. As of 18 June 2012, its share capital amounts to EUR 65,000,812.50. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended and specialises in custody, fund administration and related services.

The Central Administration is not responsible for any investment decisions of the SICAV or the effect of such investment decisions on the performance of the SICAV.

The Central Administration is acting as the registrar and transfer agent for the benefit of the SICAV pursuant to the Central Administration Agreement. In this function, the Central Administration will process all subscriptions, redemptions and transfers of Shares and will register these transactions in the share register of the SICAV. The Central Administration will also implement and apply measures to prevent money laundering and terrorism financing (e.g. know-your-customer due diligence).

The relationship between the Management Company, the SICAV and the Central Administration is subject to the terms of the Central Administration Agreement. Any of the Management Company, the SICAV or the Central Administration may terminate the Central Administration Agreement on at least 90 calendar days' prior written notice. The Central Administration Agreement may also be terminated on shorter notice in certain circumstances.

The Central Administration Agreement contains provisions indemnifying the Central Administration and exempting the Central Administration from liability, in certain circumstances.

Subject to the prior written consent of the Board of Directors, the Management Company reserves the right to, in its discretion, (i) change the administration arrangements described above by a subsequent agreement with the Central Administration and/or (ii) appoint an alternative administrator without prior notice to Shareholders in case there is thereby no increase of fees borne by Shareholders. Shareholders will be notified in due course of any appointment of an

alternative administrator and the Prospectus will be duly amended to reflect such a change, as appropriate.

The Central Administration has also been appointed by the SICAV as paying agent, listing agent, domiciliary and corporate agent pursuant to the Central Administration Agreement.

### **DEPOSITARY**

The SICAV has appointed State Street Bank Luxembourg S.C.A. as the depositary of all of the SICAV's assets, including its cash and securities, which will be held either directly or through other financial institutions such as correspondent banks, subsidiaries or affiliates of the Depositary.

The Depositary will further, in accordance with Luxembourg laws and more particularly, the UCI Law, among other things:

- (a) ensure that the sale, issue, conversion, redemption and cancellation of Shares effected on behalf of the SICAV or by the SICAV are carried out in accordance with the UCI Law and the Articles;
- (b) ensure that in transactions involving the assets of the SICAV, the consideration is remitted to it within the usual time limits;
- (c) ensure that the income of the SICAV is applied in accordance with its Articles.

The Depositary may entrust all or part of the assets of the SICAV, in particular securities traded outside Luxembourg or listed on a stock exchange which is not a Luxembourg stock exchange, or admitted to a clearing system, to such clearing system or to such correspondent banks as may be determined by the Depositary from time to time. To the extent required by the UCI Law, the Depositary's liability shall not be affected by the fact that it has entrusted all or part of the assets in its safekeeping to a third party.

The rights and duties of the Depositary are governed by the Custodian Agreement entered into for an unlimited period of time from the date of its signature. The SICAV and the Depositary may terminate the Custodian Agreement on at least 90 calendar days' prior written notice, provided, *inter alia*, that a new depositary assumes the responsibilities and functions of the Depositary. The Custodian Agreement may also be terminated on shorter notice in certain circumstances. In the case of voluntary withdrawal of the Depositary or of its removal by the SICAV, until the replacement of the Depositary, which must happen within two months, the depositary must take all necessary steps for the good preservation of the interest of holders of Shares of the SICAV as per the relevant provisions of the UCI Law.

The Custodian Agreement contains provisions indemnifying the Depositary, and exempting the Depositary from liability, in certain circumstances. In any case, as per the terms of the UCI Law, the Depositary shall be liable to the SICAV and the Shareholders, in accordance with Luxembourg law, for any loss suffered by them as a result of its failure to act in good faith and exercise reasonable care in the performance of its duties.

### **GLOBAL DISTRIBUTOR AND SUB-DISTRIBUTORS**

Van Eck Switzerland AG has been appointed as Global Distributor of the Shares by the Management Company, with the consent of the Board of Directors and the approval of the CSSF.

The Global Distributor will distribute the Shares in accordance with applicable laws and regulations.

Subject to prior written approval from the Management Company, the Global Distributor may delegate all or part of its duties and powers to affiliated or non-affiliated sub-distributors.

The relationship between the Management Company, the SICAV and the Global Distributor is subject to the terms of the Global Distribution Agreement which has been entered into for an unlimited period of time from its execution. Any of the Management Company, the SICAV or the Global Distributor may terminate the Global Distribution Agreement on at least 90 calendar days' prior written notice. The Global Distribution Agreement may also be terminated on shorter notice in certain circumstances.

The Global Distribution Agreement contains provisions indemnifying the Global Distributor, and exempting the Global Distributor from liability, in certain circumstances.

## **SUBSCRIPTIONS**

### **Initial Offer**

Orders for Shares in a Sub-Fund may be placed during the relevant Initial Offer Period at the Initial Offer Price until the Cut-Off Time and Shares will be issued for the first time as of the first Dealing Day, being the last Business Day of the relevant Initial Offer Period, as further described in section "Procedure" below.

The Directors may extend or shorten the Initial Offer Period at their absolute discretion. The Initial Offer Period and the Initial Offer Price for each Sub-Fund or Class thereof will be available at the registered office of the SICAV and on the following website [www.vaneck.com/UCITS](http://www.vaneck.com/UCITS). A preliminary fee may be charged as set out in "Fees and Expenses". The Initial Offer Price may thus be increased by this preliminary fee.

### **Subsequent Subscriptions**

Following the close of the relevant Initial Offer Period, Shares will be available for subscription at the Subscription Price as of each Dealing Day after the first Dealing Day (see section "Procedure" below).

The Subscription Price is equal to the Net Asset Value and may be increased by a preliminary fee that will revert to the Global Distributor and which may be charged on such a subscription for Shares as set out in the section "Fees and Expenses".

In addition, Shareholders may also be required to pay to the SICAV a dilution levy in addition to the Subscription Price as set out in the section of the Prospectus headed "Dilution Levy". In case a Sub-Fund is a Master (as defined below) of another UCITS and such Master is charging a dilution levy to the feeder UCITS, the relevant feeder UCITS will not pay any additional preliminary fee or dilution levy.

The Directors are authorised from time to time to resolve to close a Sub-Fund or any Class of Shares to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

### **Procedure**

Applicants for Shares during the relevant Initial Offer Period must complete and sign a written application form (as available from the SICAV, the Central Administration, the sub-distributors or the Investment Manager) and send it to the Central Administration by mail (or by facsimile, subject to the prompt receipt by the Central Administration of the original signed application form and other supporting documents as described below), so as to be received by the Central

Administration no later than the end of the Initial Offer Period. Subscription monies shall be paid in the relevant Reference Currency (including any preliminary fee and/or dilution levy) and **must be received by the Central Administration for value date within the number or Currency Settlement Days as specified in the supplement of each sub-fund following the Relevant Dealing Day (the "payment date"), it being understood that the allotment of the shares is conditional until receipt of subscription monies.**

If the relevant application form is/are not received by these times, the application will be held over until the second Dealing Day and Shares will then be issued at the relevant Subscription Price for that Dealing Day, provided the relevant application form is received before the Cut-Off Time for that relevant Dealing Day. The Cut-Off Time shall be no later than the time on which the Net Asset Value will be determined for the relevant Dealing Day.

The application form, once received, is irrevocable save with the consent of the Directors (which may be withheld in their absolute discretion, provided the principle of equal treatment of Shareholders is complied with). Requests must contain at least the following information: (i) the exact name and address of the person making the subscription request and the amount to be subscribed or alternatively, the number of Shares to be subscribed, (ii) the Sub-Fund to which such subscription applies as well as the Class of Shares concerned, and (iii) instruction of payments to be used in cases of future redemptions as well as all necessary information, which the Board, the Management Company or the Central Administration may reasonably require.

After the close of the Initial Offer Period, applicants for Shares, wishing to apply for Shares must complete and sign a written application form (as available from the SICAV, the Central Administration, the sub-distributors or the Investment Manager) and send it to the Central Administration by mail (or by facsimile, subject to the prompt receipt by the Central Administration of the original signed application form and other supporting documents as described below). The application form, once received, is irrevocable save with the consent of the Directors (which may be withheld in their absolute discretion). Requests must contain at least the following information: (i) the exact name and address of the person making the subscription request and the amount to be subscribed or alternatively the number of Shares to be subscribed, (ii) the Sub-Fund to which such subscription applies as well as the Class of Shares concerned, and (iii) instruction of payments to be used in cases of future redemptions as well as all necessary information, which the Board, the Management Company or the Central Administration may reasonably require.

Applications accepted prior to or on the applicable Cut-Off Time for a particular Dealing Day will be processed as of that Dealing Day. Subscription monies shall be paid in the relevant Reference Currency (including any preliminary fee and/or dilution levy) and **must be received by the Central Administration for value date at the payment date as follows within the timeframe as is outlined in the relevant supplement, it being understood that the allotment of shares is conditional upon receipt of subscription monies.**

If an application and/ or the subscription monies, as applicable, is/are received after the applicable Cut-Off Time for a particular Dealing Day, the application will be processed on the following Dealing Day, provided the relevant application form are received before the Cut-Off Time of that relevant Dealing Day.

Should the application form together with any required documentation be received prior to or on the applicable Cut-Off Time for a relevant Dealing Day, no later than the applicable Cut-Off Time for a relevant Dealing Day, the shares will be issued based on the Net Asset Value per Share applicable on the relevant Valuation Day for that Dealing Day.

Where an investor fails to pay the Initial Offer Price or the Subscription Price, as applicable, as at the payment date set out above under the section "Share Classes", the Board of Directors may cancel the allotment or, if applicable, redeem the Shares.

In such circumstances, the Company and the Management Company have the right to bring an action against the defaulting investor to obtain compensation for any loss directly or indirectly resulting from the failure by the investor to make good settlement by the settlement date.

Dealing Days for each Sub-Fund or Class thereof (if any) and their respective Cut-Off Times and Valuation Days are specified in the relevant Supplement.

Initial applications may be made by facsimile subject to the prompt receipt by the Central Administration of the original signed application form and such other supporting documents (such as documentation in relation to money laundering and terrorism financing prevention checks) as may be required. Thereafter, Shareholders wishing to apply for additional Shares may apply for Shares by facsimile and these applications may be processed without a requirement to submit original documentation. Notwithstanding the foregoing, Shareholders should note that regular checks and updates as to their status from a know-your-customer perspective will be carried out. Amendments to a Shareholder's registration details and payment instructions will only be effected on receipt of original documentation.

Fractions of Shares up to three decimal places will be issued if necessary. Interest on subscription monies will accrue to the SICAV in accordance with the provision under the section "Delivery into Clearstream/Euroclear" below.

Investments in Classes which are reserved for institutional investors are subject to certain eligibility conditions. The SICAV may request from investors subscribing in such Classes the provision of all documents or information evidencing that they meet the relevant criteria to invest in such Classes. In addition, the SICAV may refuse applications to invest in such Classes as long as all the required information and documents abovementioned are not in its possession.

The SICAV reserves the right to reject any application in whole or part in its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable – after the anti-money laundering procedures have been completed - in the relevant currency at the risk and cost of the applicant.

Requests for subscriptions will be accepted upon verification by the Central Administration and/or the sub-distributors, as applicable, that the investors have received the relevant KIID which is available on the Investment Manager's website or free of charge at the registered office of the SICAV upon request.

The SICAV may agree to the issue of Shares in exchange for assets other than cash but will only do so where, in the absolute discretion of the Board of Directors, it is determined that the SICAV's acquisition of such assets in exchange for Shares complies with all applicable laws, the investment policies and restrictions of the relevant Sub-Fund as laid down in the relevant Supplement, has a value equal to the relevant Subscription Price (or the Initial Offer Price, as the case may be) of the Shares (including any preliminary fee and/or dilution levy) and is not likely to result in any material prejudice to the interests of Shareholders. Such contribution in kind to any Sub-Fund will, as appropriate, in accordance with Article 26-1 of the law of 10 August 1915 on commercial companies, as amended, be valued independently in a special report from the Independent Auditor, established at the expense of the investor. Transaction charges will be chargeable to the investor in respect of such contribution in kind.

### **Delivery into Clearstream/Euroclear**

Arrangements can be made for Shares to be held in accounts maintained with either Clearstream or Euroclear.



Investors should note that Clearstream will accept deliveries of fractional Shares to two decimal places. Investors should further note that Euroclear shall only accept deliveries for whole numbers of Shares.

### **Subscription Price**

The Subscription Price per Share will be equal to the Net Asset Value per Share as of the relevant Valuation Day determined in accordance with the policy set out under section entitled "Valuation", increased by any applicable preliminary fee as set forth for under section "Fees and Expenses"; subject to any applicable dilution levy. The Net Asset Value per Share applicable as of any Dealing Day will be updated following each determination of Net Asset Value and will be available at the time specified for each Sub-Fund in the relevant Supplement. Subscription requests shall be submitted at an unknown Net Asset Value.

### **Minimum Holding, Minimum Subscription and Minimum Additional Subscription**

The Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription (if any) for each Class in respect of each Sub-Fund are set out in the relevant Supplement.

### **Ineligible Applicants**

The application form requires each prospective applicant for Shares to represent and warrant to the SICAV that, among other things, it is not an Ineligible Applicant.

In particular, the Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the SICAV incurring any liability to taxation or suffering any other pecuniary disadvantage which the SICAV might not otherwise incur or suffer, or would result in the SICAV being required to register under any applicable US securities laws.

Shares may not be issued or transferred to any US Person nor may they be held for the account or benefit of any US Person.

The Hiring Incentives to Restore Employment Act (the "**Hire Act**") was signed into U.S. law in March 2010. It includes provisions generally known as FATCA. The intention of these provisions is that details of U.S. investors holding assets outside the U.S. will be reported by financial institutions to the Internal Revenue Service, as a safeguard against U.S. tax evasion.

As a result of the Hire Act, and to discourage non-U.S. financial institutions from staying outside this regime, all U.S. securities held by a financial institution that do not enter and comply with this regime may be subject to a 30% withholding tax on certain types of U.S. sourced income (e.g., dividends, interest, and other types of passive income) paid effective July 1, 2014, and proceeds from the sale or other disposition of property producing U.S. sourced income paid effective January 1, 2017 unless they agree to collect and disclose to the Internal Revenue Service ("**IRS**") information regarding their direct and indirect U.S. account holders.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The SICAV would hence have to comply with such Luxembourg IGA, as implemented into Luxembourg law by the Law of 24 July 2014 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the Luxembourg IGA and the FATCA Law, the SICAV may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("**reportable accounts**"). Any such information on reportable accounts provided to the SICAV will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the

Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The SICAV intends to comply with the provisions of the Luxembourg IGA and the FATCA Law to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the SICAV. The SICAV will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA places upon it.

Despite anything else herein contained and as far as permitted by Luxembourg law, the SICAV shall have the right to:

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the SICAV;
- Require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the SICAV in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;
- Divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income;
- Withhold the payment of any dividend or redemption proceeds to a Shareholder until the SICAV hold sufficient information to enable it to determine the correct amount to be withheld.

All investors are required to agree to provide all information deemed necessary to allow the SICAV to comply with the FATCA rules and the IGA. If the SICAV is required to withhold amounts from payments pursuant to FATCA, investors will receive distributions that are reduced by such withholding amounts.

### **Form of Shares**

All the Shares will be registered Shares and will only be issued in book entry form, meaning that a Shareholder's entitlement will be evidenced by an entry in the SICAV's register of Shareholders, as maintained by the Central Administration.

### **Suspension**

The Directors may declare a suspension of the issue of Shares in certain circumstances as described under "Suspension of Determination of Net Asset Value". No Shares will be issued during any such period of suspension.

### **Anti-Money Laundering**

The SICAV, the Management Company, the Global Distributor, the sub-distributors and the Central Administration shall at all times comply with any obligations, as applicable, imposed by any applicable laws, rules and regulations regarding the prevention of money laundering and terrorism financing and, in particular, and where applicable, with the 2004 Law, CSSF Regulation

n° 12-02 and CSSF Circulars 11/529 and 13/556 concerning the prevention of money laundering and terrorism financing activities, as they may be amended or revised from time to time.

Accordingly, the SICAV, the Management Company, the Global Distributor, the sub-distributors or the Central Administration may request information necessary to establish the identity and the profile of a prospective investor, its beneficial owner and the origin of funds supporting a subscription for Shares. **In the event of delay or failure by the applicant to produce any information required for verification purposes, the SICAV may refuse to accept the application and the subscription monies relating thereto or may refuse to settle a redemption request until proper information has been provided.** In order to prevent money laundering, applications from investors must include a certified copy (by *inter alia* one of the following authorities: embassy, consulate, notary, police superintendent) of, notably, (i) the subscriber's identity card in the case of individuals, or (ii) the articles of incorporation and an extract of the register of companies for corporate entities as well as of their directors' (or any other person who may legally bind the company) identity cards, and any other document that may be required under Luxembourg law.

In any case, the Central Administration may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

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

Similar documentation may be requested from the beneficial owner of the investor in certain circumstances.

Moreover, the Central Administration is legally responsible for identifying the origin of funds transferred from banks not subject to an identification procedure equal to the one required by Luxembourg law. Subscriptions may be temporarily suspended until such funds have been correctly identified.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the SICAV nor the Management Company nor the Central Administration have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

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

## **Data Protection**

The following additional information only applies to natural persons:

In accordance with the applicable legal provisions on data protection, the SICAV, acting as data controller, processes the data supplied by the investors at the time of subscription for the purpose of fulfilling the services required by the investors and complying with its legal obligations. The data processed includes, in particular, the name, contact details (including postal or email address), banking details, invested amount and holdings in the SICAV of each investor ("**Personal Data**").

The communication by an investor of Personal Data required for the SICAV or the Central Administration to enable them to comply with their applicable legal or regulatory obligations is compulsory. The lack of communication of Personal Data shall constitute an obstacle to a

relationship being entered into and maintained between the investor and the Company and may be reported to Luxembourg authorities if so required under applicable laws.

The investors have a right of access to and rectification of their Personal Data in cases where such data is inaccurate and/or incomplete. The investors may exercise these rights by contacting in writing the Central Administration.

In particular, the SICAV processes the Personal Data supplied by the investors for the purposes of: (i) maintaining the register of Shareholders; (ii) processing subscriptions, redemptions, transfers and conversions of Shares and payments of dividends to Shareholders (if any); (iii) performing controls in respect of late trading and market timing practices; (iv) complying with applicable anti-money laundering rules, (v) complying with applicable tax laws and regulations and related reporting duties including FATCA and CRS Law (as defined in the section "Taxation") and (vi) complying with requirements of laws and regulations applicable to the SICAV.

Personal Data may be transferred to the Fund's data processors (the "**Processors**"), which include the Central Administration, the Global Distributor, the SICAV's sub-distributors, the Custodian and the Management Company as well as if required to do so by force of law to the regulatory authority indicated in the relevant laws and regulations, such as, but not limited to, Luxembourg or foreign (ultimately) tax authorities or Luxembourg financial intelligence units, that are located in countries within and outside the EU which do offer an adequate level of data protection (including Switzerland and the U.S.) and also in countries outside the EU which may not have an adequate level of protection where distributors are located (such as Singapore or China).

The Investment Manager, which is located in the U.S. and which is further in charge of providing the shareholder with services such as the sending of newsletters or KIIDs, and other companies in the Van Eck group, including their respective agents and appointed delegates, (which may be located outside the EU and which may thus not offer a level of protection which may be considered equivalent to the level of protection of personal data in the EU) that may be in charge of providing the services for which investors have sought or may seek in the future, may have, for the purposes of carrying out these activities, access to the Personal Data stored by the Central Administration.

The Central Administration may, under its own responsibility, as a data controller, decide to sub delegate some of its own data processing activities to affiliates or other agents that it appoints. The SICAV will not be involved in appointing these affiliates or agents.

## **REDEMPTIONS**

Shareholders may apply for redemption of all or any of their Shares on any Dealing Day specified for the relevant Class of Shares of a Sub-Fund in the relevant Supplement. Shareholders should send a completed redemption request in writing (in the form available from the SICAV, the sub-distributors, the Investment Manager or from the Central Administration mentioning the number of shares to be redeemed or alternatively the amount to be redeemed in the Reference Currency) to be received by the Central Administration no later than the Cut-Off Time for the relevant Dealing Day, such Cut-Off Time being no later than the time on which the Net Asset Value will be determined for the relevant Dealing Day.

Shareholders are required to notify the Central Administration immediately in writing in the event that become US Persons or come to hold Shares for the account or benefit of US Persons or otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the SICAV, the relevant Sub-Fund or the Shareholders or which may otherwise be detrimental to the interests of the SICAV or the relevant Sub-Fund.

## **Procedure**

Redemption requests may be addressed to the attention of the SICAV, duly represented by its Board of Directors and submitted to the Central Administration by mail (or by facsimile, subject to the prompt receipt by the Central Administration of the original signed redemption request), provided that the original subscription application form has been received, the subscription order processed and all the documentation required by the SICAV, the Management Company, the sub-distributors or the Central Administration (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been received and completed.

Any redemption requests received after the Cut-Off Time for a Dealing Day will be processed on the next Dealing Day provided the relevant application form is received before or on the Cut-Off Time of that relevant Dealing Day.

If, as a result of a request for a partial redemption of the Shares, the Net Asset value of the Shares retained by the Shareholders would be less than the Minimum Holding, the Board of Directors may, in its discretion, deem such partial request to be a full redemption request and may consequently redeem the holding in its entirety.

Redemptions may be processed subject to the minimum share capital requirement of EUR 1,250,000.-.

A redemption request, once received, is irrevocable save with the consent of the Board of Directors (which may be withheld in its absolute discretion), provided that (i) the principle of equal treatment of Shareholders is complied with and (ii) the redemption request has not yet been processed by the Central Administration or there has been a suspension of determination of the Net Asset Value of the SICAV, a Sub-Fund or a Class in respect of which the redemption requests are made.

## **Redemption Price**

The Redemption Price will be equal to the Net Asset Value per Share as of the relevant Valuation Day determined in accordance with the policy set out under section entitled "Valuation", decreased by any applicable redemption fee as set forth under the section "Fees and Expenses". The Net Asset Value per Share applicable to any Dealing Day will be updated following each determination of Net Asset Value and will be available at the time specified for each Sub-Fund in the relevant Supplement. Redemption requests shall be submitted at an unknown Net Asset Value. In the event of a partial redemption, Shares will be redeemed on a "first in first out" basis unless the redeeming Shareholder advises the Central Administration otherwise.

Shareholders may also be required to pay to the SICAV a dilution levy as set out in the section of this Prospectus headed "Dilution Levy". Both a redemption charge and a dilution levy would have the result of reducing the redemption proceeds. In case a Sub-Fund is a Master (as defined below) of another UCITS and such Master is charging a redemption fee or a dilution levy to the feeder, the relevant feeder UCITS will not pay any additional redemption fee or dilution levy to the Master.

## **Settlement**

Payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and normally within the relevant timeframe mentioned for a Sub-Fund in the relevant Supplement unless unforeseeable circumstances (e.g. interruptions or unavailability of telecommunication systems, failure of payment systems due to fire or similar disasters, power cuts, failure of computer systems) arise and delay or prevent the payment of the redemption

proceeds. Payment will be made in the Reference Currency of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Central Administration and at the Shareholder's risk. Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record as provided on either (a) the original, duly signed, initial application form, or (b) the original, duly signed bank mandate change request.

## **Suspension**

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described under "Suspension of Determination of Net Asset Value". No Shares will be redeemed during any such period of suspension.

## **Compulsory Redemptions**

The Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the SICAV incurring any liability or taxation or suffering any other disadvantage which the SICAV may not otherwise have incurred or suffered (including, but not limited to, Shareholders who become Ineligible Applicants or US Persons). Furthermore, the Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of the other investors and/or the relevant Sub-Fund or the SICAV as a whole. Subject to the relevant Supplement, if the total of the Net Asset Value of the Shares held by a Shareholder in this Sub-Fund is less than the Minimum Holding, the SICAV reserves the right to require compulsory redemption of all Shares of the relevant Class held by such Shareholder or alternatively to effect a compulsory exchange of all Shares of the relevant Class held by this Shareholder for Shares of another Class in the same Sub-Fund which have the same Reference Currency but a lower Minimum Holding and higher fees. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding and the SICAV decides to exercise its right to compulsorily redeem for this reason, the SICAV will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the Minimum Holding requirement.

## **Deferred Redemptions**

Pursuant to the Articles, the Directors may (but are not obliged to) defer redemptions at a particular Dealing Day to the Dealing Day they deem appropriate in their absolute discretion where the requested redemptions exceed 10% of the SICAV's or a Sub-Fund's Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors will pro-rate all such redemption requests to the stated level (i.e. 10% of the Sub-Fund's Net Asset Value) and will defer the remainder to the Dealing Day they deem appropriate therefore in their absolute discretion. The Directors will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

Notwithstanding the above and subject to this paragraph, the Directors will not exercise such power to defer redemptions with respect to the Sub-Funds of the SICAV; provided, that to the extent a Sub-Fund is a feeder UCITS (as defined in the UCI Law) of an investment fund which qualifies as a master UCITS (as defined in the UCI Law) and such master UCITS may defer redemptions, the Directors may exercise such power to defer redemptions with respect to such feeder UCITS Sub-Fund.

## Redemptions in Kind

The SICAV shall have the right, if the Board of Directors so determines, to satisfy payment of the Redemption Price, to any Shareholder who agrees, in kind by allocating to such Shareholder investments from the portfolio of assets set up in connection with such Sub-Fund equal in value (calculated in the manner described in the Articles) as of the Valuation Day, when the Redemption Price is calculated, to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such a case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders and the valuation used will, as appropriate in accordance with Article 26-1 of the law of 10 August 1915 on commercial companies, as amended be confirmed by a special report of the Independent Auditor of the SICAV. The costs of any such transfers shall be borne by the redeeming Shareholder.

## Anti-Money Laundering

Investors should note that the Directors may refuse to settle a redemption request if it is not accompanied by such additional information as they, or the Central Administration on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for anti-money laundering and anti-terrorism financing verification purposes as described under "Subscriptions".

## EXCHANGING BETWEEN SUB-FUNDS OR CLASSES

Except when issues and redemptions of Shares have been suspended in the circumstances described under "Suspension of Determination of Net Asset Value", Shareholders may request an exchange of some or all of their Shares in one Class or Sub-Fund (the "**Original Class**") for Shares in another Class or Sub-Fund (the "**New Class**"), provided that the original subscription application form has been received, the original subscription order processed and all the documentation required by the SICAV (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed. Such exchanges can only take place if following the exchange, the Shareholder's holding in the New Class will satisfy the criteria and applicable Minimum Holding requirements of that Class or Sub-Fund.

### Procedure

Shareholders should send a completed exchange request in the form available from the SICAV or from the Central Administration to be received by the Central Administration by facsimile or mail prior to the earlier of the Cut-Off Time for redemptions in the Original Class and the Cut-Off Time for subscriptions in the New Class, such Cut-Off Times being no later than the time on which the Net Asset Values of the Original class and the New Class would be determined for the relevant Dealing Day. Any applications received after such time will be dealt with on the next Dealing Day provided the relevant application form is received before the Cut-Off Time of that relevant Dealing Day.

The Directors may at their absolute discretion reject any request for the exchange of Shares in whole or in part.

Fractions of Shares to three decimal places may be issued by the SICAV on exchange where the value of Shares exchanged from the Original Class is not sufficient to purchase an integral number of Shares in the New Class, subject to the provision under the section "Delivery into Clearstream/Euroclear" above. Any balances representing entitlements of less than a fraction of a Share to three decimal places will be retained by the SICAV in order to discharge administration costs.

An exchange fee may be charged, except that if a Sub-Fund is a Master of another UCITS, the relevant feeder UCITS will not pay any exchange fee. The SICAV shall only charge an exchange fee if a higher preliminary fee is applicable to the Shares of the Sub-Fund or the New Class being acquired. In such case the exchange fee shall not exceed the difference between the preliminary fees applicable to the relevant Sub-Funds or Classes.

An exchange request, once given, is irrevocable save with the consent of the Board of Directors (which may be withheld in its absolute discretion), provided that (i) the principle of equal treatment of Shareholders is complied with and (ii) the conversion request has not yet been processed by the Central Administration or there has been a suspension of determination of the Net Asset Value of the SICAV, a Sub-Fund or a Class in respect of which the exchange requests are made.

An exchange request will be accepted upon verification by the Central Administration that the investors have received the relevant KIID available on the Investment Manager's website or, upon request, at the registered office of the SICAV and/or the Central Administration.

An exchange of Shares of one Sub-Fund or Class for Shares of another Sub-Fund or Class will be treated as a redemption of Shares and a simultaneous subscription of Shares. An exchanging Shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the Shareholder's citizenship, residence or domicile. No redemption fee will be levied on a redemption of Shares for the purpose of any exchange.

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

$$S = \frac{(R \times NAV \times ER) - \text{exchange fee}}{SP}$$

where

S is the number of Shares of the New Class to be allotted.

R is the number of Shares in the Original Class to be redeemed.

NAV is the Net Asset Value per Share of the Original Class on the Valuation Day of the relevant Dealing Day.

ER is the currency exchange factor (if any) as determined by the Central Administration as representing the effective rate of exchange of settlement on the relevant Valuation Day applicable to the transfer of assets between the relevant Sub-Funds or Classes where the Reference Currencies are different or, where the Reference Currencies are the same, ER = 1.

SP is the Net Asset Value per Share of the New Class on the Valuation Day of the relevant Dealing Day.

If as a result of any request for exchange, the number or the aggregate Net Asset Value of the Shares held by any Shareholder in any Sub-Fund or Class of Shares would be less than the Minimum Holding, the Board of Directors will deem this request to be a request for exchange of the full balance of such Shareholder's holding of Shares in such Class or Sub-Fund.

All terms and notices regarding the subscription and redemption of Shares shall equally apply, where relevant, to the exchange of Shares. For the avoidance of doubt, no redemption fee may apply to "NAV" above.



## **PREVENTION OF LATE TRADING AND MARKET TIMING**

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order for shares in a fund after the time limit fixed for accepting orders on the relevant day and the execution of such order at the price based on the net asset value applicable to such dealing day.

The SICAV considers that the practice of late trading is not acceptable and shall be prohibited as it violates the provisions of this Prospectus which provide that an order received after the Cut-Off Time is dealt with at a Subscription Price or Redemption Price based on the Net Asset Value calculated as of the next applicable Valuation Day. As a result, subscriptions, exchange and redemptions of Shares shall be dealt with at an unknown Net Asset Value. The Cut-Off Time with respect to a Dealing Day is set out in the Supplement for each Sub-Fund.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the UCI.

The SICAV considers that the practice of market timing is not acceptable as it may affect the SICAV's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the SICAV reserves the right to refuse any application for subscription or exchange of Shares which might or appears to be related to market timing practices and to take any appropriate measures in order to protect investors against such practice.

## **VALUATION**

### **Net Asset Value and Valuation of Assets**

The Net Asset Value of each Sub-Fund or Class thereof will be calculated by the Central Administration, under the oversight of the Management Company and under the ultimate responsibility of the Board of Directors, as of each Valuation Day in accordance with the Articles. The Net Asset Value of each Sub-Fund or Class thereof will be expressed in the relevant Reference Currency of the Sub-Fund or Class.

The Net Asset Value of a Sub-Fund shall be determined as of the Valuation Day by valuing the assets of the relevant Sub-Fund (including income accrued but not collected) and deducting the liabilities of the relevant Sub-Fund.

The Net Asset Value attributable to a Class shall be determined as of a Valuation Day by calculating that portion of the Net Asset Value of the relevant Sub-Fund attributable to the relevant Class as of the Valuation Day by reference to the number of Shares in issue in such Sub-Fund as of the relevant Valuation Day subject to adjustment to take account of assets and/or liabilities attributable only to the particular Class.

In the case of certain Sub-Funds, as more particularly specified in the relevant Supplement, the SICAV may decide to issue Classes in one Sub-Fund which have different valuation points, e.g. "snap" and "close", where the "snap" valuation point takes a value at a time other than at close and may include fair value prices, if considered appropriate, for securities which are traded on markets which are closed at the relevant Cut-Off Time (please refer to the Supplements in order to establish which Sub-Fund offers such Classes). In consequence, the Net Asset Value per Share of such Classes is expected to differ from each other as a result of the application of such different valuation points.

In the event that the Investment Manager hedges the foreign currency exposure of any Class of Shares denominated in a currency other than the Reference Currency of the relevant Sub-Fund,

the costs and any benefit of such hedging will be allocated solely to the relevant Class of Shares to which the hedging relates. In such case, the Net Asset Value of a Sub-Fund will be expressed in the Reference Currency of the Sub-Fund, or in such other currency as the Board of Directors may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share shall be calculated as of a Valuation Day by dividing the Net Asset Value of the relevant Sub-Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Sub-Fund or Class as of the relevant Valuation Day and rounding the resulting total to three decimal places or such number of decimal places as the Board of Directors may determine. If the thousandth digit is 1, 2, 3 or 4, the Net Asset Value per Share will be rounded down to the nearest hundredth decimal, if the last digit is 5, 6, 7, 8 or 9, then the Net Asset Value per Share will be rounded up to the nearest hundredth decimal.

In determining the value of the assets of the SICAV:

- (A) the value of any cash on hand, or on deposit, bills, and demand notes payable, and accounts receivable, prepaid expenses, cash dividends, and interest declared, or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid, or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in each case to reflect the fair value thereof;
- (B) the SICAV's assets shall, except as otherwise mentioned below, be generally valued on the basis of market quotations, at the last available closing or settlement price on the relevant US market, or on any other relevant market being either a stock exchange of a Non-Member State, or a Regulated Market, or any Other Regulated Market of a Member State or of a Non-Member State, for a given Valuation Day. When market quotations on such markets are not readily available for a portfolio asset, or in the opinion of the Board of Directors do not properly reflect such asset's value, the SICAV will use the asset's "fair value" as determined in good faith in accordance with the SICAV's fair value pricing procedures which have been approved by the Board of Directors upon recommendation of the SICAV's pricing committee, if any, subject to further adjustment where the Board of Directors deems it necessary.

In calculating the Net Asset Value of each Sub-Fund the following principles will apply:

- (A) in determining the value of investments of each Sub-Fund the Board of Directors may at its absolute discretion, instead, value the investments of each Sub-Fund at lowest market dealing bid prices where for any Valuation Day the value of all redemption requests received exceeds the value of all applications for Shares received for that Valuation Day or at highest market dealing offer prices where for any Valuation Day the value of all applications for Shares received for that Valuation Day exceeds the value of all redemption requests received for that Valuation Day, in each case in order to preserve the value of the Shares held by existing Shareholders;
- (B) every Share agreed to be issued by the Board of Directors with respect to a Valuation Day shall be deemed to be in issue as of the Valuation Day and the assets of the Sub-Fund shall be deemed to include not only cash and property in the hands of the Depositary but also the amount of any cash or other property to be received in respect of Shares agreed to be issued after deducting therefrom (in the case of Shares agreed to be issued for cash) or providing for preliminary fees and/or dilution levy;
- (C) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if

such purchase or sale had been duly completed unless the Board of Directors has reason to believe such purchase or sale will not be completed;

- (D) there shall be added to the assets of the relevant Sub-Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the SICAV which is attributable to that Sub-Fund;
- (E) there shall be added to the assets of the relevant Sub-Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses;
- (F) there shall be added to the assets of the relevant Sub-Fund the total amount (whether actual or estimated by the Board of Directors or its delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief;
- (G) where notice of the redemption of Shares has been received by the SICAV with respect to a Sub-Fund with respect to a particular Valuation Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue as of the Valuation Day and the value of the assets of the Sub-Fund, as of the Valuation Day, shall be deemed to be reduced by the amount payable upon such redemption; and
- (H) there shall be deducted from the assets of the Sub-Fund:
  - (1) the total amount of any actual or estimated liabilities properly payable out of the assets of the Sub-Fund including any and all outstanding borrowings of the Sub-Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Board of Directors considers fair and reasonable as of the relevant Valuation Day;
  - (2) such sum in respect of tax (if any) on income or capital gains realised on the investments of the SICAV or Sub-Fund as in the estimate of the Board of Directors will become payable;
  - (3) the amount (if any) of any distribution declared but not distributed;
  - (4) the remuneration of the Depositary, the Management Company and any other service providers of the Sub-Fund accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
  - (5) the total amount (whether actual or estimated by the Board of Directors) of any other liabilities properly payable out of the assets of the Sub-Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Day;
  - (6) an amount as of the relevant Valuation Day representing the projected liability of the Sub-Fund in respect of costs and expenses to be incurred by the Sub-Fund in the event of a subsequent liquidation; and
  - (7) any other liability which may properly be deducted.

The Board of Directors may at its discretion permit any other method of valuation to be used (notably to include such reasonable factors as it sees fit) if they consider that such method of

valuation better reflects value generally or in particular markets or market conditions and is in accordance with good practice.

### **Publication of Net Asset Value per Share**

The Net Asset Value per Share applicable to any Valuation Day for a given Dealing Day may be obtained free of charge from, and will be available at a time specified for each Sub-Fund in the relevant Supplement at, the registered office of the SICAV from the Central Administration or from any sub-distributor during business hours in Luxembourg and on the website of the Investment Manager at [www.vaneck.com](http://www.vaneck.com).

### **Suspension of Determination of Net Asset Value**

The Board of Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of the SICAV, of a Sub-Fund or of a Class and/or the issue, exchange and redemption of Shares in any Sub-Fund or Class:

- (A) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the principal Regulated Markets, stock exchanges or Other Regulated Markets on which the SICAV's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- (B) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the SICAV of investments of a Sub-Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the relevant Sub-Fund; or
- (C) if there exists any state of affairs which constitutes a state of emergency or period of extreme volatility or illiquidity as a result of which (i) disposal of a substantial part of the investments of the SICAV or a Sub-Fund would not be reasonably practicable and might seriously prejudice the Shareholders or (ii) it is not reasonably practicable for the SICAV or a Sub-Fund to determine fairly the value of its net assets; or
- (D) during the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the price or value of any of the SICAV's investments of the relevant Sub-Fund; or
- (E) during the whole or any part of any period when for any reason the price or value of any of the SICAV's investments cannot be reasonably, promptly or accurately ascertained;
- (F) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the SICAV or the Sub-Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange;
- (G) following a possible decision to merge, liquidate or dissolve the SICAV or, if applicable, one or several Sub-Funds;
- (H) following the suspension of the determination of the net asset value per share/unit, the issue, redemption and/or the conversion at the level of a Master in which the Sub-Fund invests in its quality as feeder fund of such Master in the meaning of the UCI Law;

- (I) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the SICAV or any Sub-Fund; or
- (J) if, in exceptional circumstances, the Board of Directors determines that suspension of the determination of the Net Asset Value and/or the suspension of the issue, exchange and redemption of Shares in the SICAV, any Sub-Fund or Class is in the interest of Shareholders (or Shareholders in that Sub-Fund or Class as appropriate).

Any suspension of valuation of the Net Asset Value of the SICAV or a Sub-Fund and/or the issue, exchange and redemption of Shares in any Sub-Fund or Class shall be published, if appropriate, and be notified to Shareholders having made an application for subscription, redemption or conversion of Shares for which the determination of the Net Asset Value has been suspended.

Such suspension as to any Sub-Fund or Class shall have no effect on the determination of the Net Asset Value per Share and/or the issue, redemption and conversion of Shares of any other Sub-Fund or Class, if the assets within such other Sub-Fund or allocated to such other Class are not affected to the same extent by the same circumstances.

### **SWING PRICING**

This method of valuation is intended to pass the estimated costs of underlying investment activity of the SICAV to the active Shareholders by adjusting the Net Asset Value of the relevant Share and thus to protect the SICAV's long-term Shareholders from costs associated with ongoing subscription and redemption activity.

This alternative Net Asset Value determination method may take account of trading spreads on the SICAV's investments, the value of any duties and charges incurred as a result of trading, and may include an allowance for market impact.

Where the Board of Directors, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant Sub-Fund, has determined for a particular Sub-Fund to apply an alternative Net Asset Value determination method, such Sub-Fund may be valued either on a bid or offer basis (which would include the factors referenced in the preceding paragraph).

Because the determination of whether to value the Net Asset Value of each Share class in a Sub-Fund on an offer or bid basis is based on the net transaction activity of the relevant day, Shareholders transacting in the opposite direction of the Sub-Fund's net transaction activity may benefit at the expense of the other Shareholders in the Sub-Fund. In addition, the Net Asset Value of each Class in a Sub-Fund and short-term performance may experience greater volatility as a result of this Net Asset Value determination method.

### **DILUTION LEVY**

In certain circumstances, the value of the property of a Sub-Fund may be reduced as a result of charges incurred in dealings in the Sub-Fund's investments and of any spread between the buying and selling prices of these investments. In order to offset this effect, known as "dilution", and the consequent potential adverse effect on the existing or remaining Shareholders, the Board of Directors has the power to charge a "dilution levy" of up to 2% of the amount subscribed or redeemed when Shares are bought or sold. If charged, the dilution levy will be shown in addition to (and not part of) the Subscription Price or Redemption Price of the Shares, as the case may be, in the relevant documentation. If charged, the dilution levy would be paid to the SICAV and would become part of the property of the relevant Sub-Fund thus protecting the value of the remaining Shareholders' interests. It is not, however, possible to predict accurately whether dilution will occur at any future point in time.

Any dilution levy charged must be fair to all Shareholders and potential Shareholders. In particular, the dilution levy may be charged in the following circumstances:

- (a) on a Sub-Fund experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- (b) on a Sub-Fund experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size;
- (c) in any other case where the Board of Directors is of the opinion that the interests of existing/continuing Shareholders and potential Shareholders require the imposition of a dilution levy.

In order to reduce inconsistency in the application of any dilution levy, the Board of Directors may take account of the trend of the Sub-Fund in question to expand or to contract in size and the transactions in Shares as of a particular Dealing Day.

The dilution levy may be applied for the following Sub-Funds:

- Van Eck – Global Hard Assets UCITS;
- Van Eck – Unconstrained Emerging Markets Bond UCITS; and
- Van Eck – Emerging Markets Equity UCITS

## **FEES AND EXPENSES**

Any fees or expenses payable by a Shareholder or out of the assets of the SICAV are set out in this section.

### **Preliminary Fee**

A preliminary fee of up to 5% of the amount subscribed, to be paid to the Global Distributor, may be charged on the subscription of Shares of Class R Shares.

The Board of Directors has discretion to waive this fee in whole or in part, subject to compliance with the principle of equal treatment of Shareholders.

The charge is calculated prior to the addition of any dilution levy, as set out in the relevant Supplement.

### **Dilution Levy**

See above section.

### **Redemption Fee**

A redemption fee may be charged on the redemption of Shares by an investor.

The maximum amount for such redemption fee will be two (2) per cent of the value of the relevant redemption amount. At the date of this Prospectus, no redemption fee is charged.

The charge is calculated prior to the subtraction of any dilution levy, as set out in the relevant Supplement.

## **Management Company Fee**

The Management Company will receive a Management Company Fee for the provision of its services. The Management Company Fee, which is expressed as a percentage of the Net Asset Value of the Sub-Funds and is calculated on the basis of the Net Asset Value of each Sub-Fund on the last Valuation Day of a given month, is specified in the Supplements.

A minimum monthly fee of EUR 2.000.- shall be payable by the SICAV on behalf of each Sub-Fund in case the Management Company Fee to be paid by the SICAV on behalf of the relevant Sub-Fund do not reach such level.

The Management Company Fee shall be invoiced on a monthly basis to the SICAV for the account of the Sub-Funds and is payable in EUR within 30 Business Days after receipt of the invoice.

## **Investment Management Fee**

The Investment Manager will receive an Investment Management Fee normally due under the Investment Management Agreement. According to the Investment Management Agreement, the SICAV pays to the Investment Manager, on behalf of each Sub-Fund, a fee as specified in the Supplements, calculated on the basis of an annual percentage of the Net Asset Value, accrued as of each Valuation Day and payable monthly in arrears.

## **Global Distribution Fee**

The Global Distributor will receive a Global Distribution Fee normally due under the Global Distribution Agreement. According to the Global Distribution Agreement, the SICAV pays to the Global Distributor, on behalf of each Sub-Fund, an annual fee as specified in the Supplements, calculated on the basis of an annual percentage of the Net Asset Value, accrued as of each Valuation Day and which is payable monthly in arrears.

## **Fixed Rate of Operating Costs**

The operating costs and expenses include:

(i) Depositary fees normally due under the Custodian Agreement. According to the Custodian Agreement, the SICAV pays to the Depositary out of the assets of the SICAV an annual fee, calculated on the basis of a percentage of the Net Asset Value, accrued as of the last Valuation Day of each calendar month and payable monthly in arrears;

(ii) Central administration fees. According to the Central Administration Agreement, the SICAV pays to the Central Administration out of the assets of the SICAV an annual fee covering fees and expenses relating to administration services, registrar and transfer agent services, paying agent services, listing, domiciliary and corporate agent services;

(iii) Government charges;

(iv) Fees and expenses of its legal and tax advisers in Luxembourg and abroad;

(v) Fees and expenses of its external auditors;

(vi) Director fees, directors and officers insurance premiums;

(vii) Fees related to the exercise of proxy voting;

(viii) *Taxe d'abonnement* (see under section entitled "Taxation of the SICAV in Luxembourg" for further details);

(ix) Costs related to the registration and maintenance of such registration in all jurisdictions (including fees charged by the relevant supervisory authorities, translation costs and remuneration of foreign representatives and local paying agents);

(x) Marketing fees, costs relating to the publication of offering / redemption prices, distribution of semi-annual and annual reports, other reporting expenses;

(xi) Costs related to distribution of Shares through local clearing systems when according to local practice such costs are supported by the SICAV;

(xii) Fees and expenses of any other service providers or officers appointed by the SICAV;

(xiii) Fees and expenses of any licence / trademark used by the SICAV;

(xiv) Fees and expenses related to the mailing / publication of notices to shareholders or any other type of communication to shareholders, regulatory authorities, service providers, etc.

(xv) Any other fees and expenses charged to the SICAV in relation to its day-to-day operations;

(xvi) Setting-up costs for establishing the SICAV and the Sub-Funds as they may be written off over a period not exceeding five years and in such amounts in each year and in each Sub-Fund as determined by the Board of Directors, in accordance with general accounting principles;

(xvii) Any expenses in relation to liquidation procedures;

(xviii) Costs relating to the production and dissemination of the KIIDs and all related costs.

The aggregate amount of the ordinary operating costs, fees and other expenses as listed above and which shall exclude the Management Company Fee, the Investment Management Fee and the Global Distribution Fee, (the "**Operating Costs and Expenses**") to be paid by the SICAV on behalf of a Sub-Fund for the relevant Class of Shares (as the case may be on a prorata basis) shall equal the amount obtained by applying the FROC as set by the Directors for each Class of each Sub-Fund from time to time without notice to shareholders to the average Net Asset Value, subject to the below under "Other Fees and Expenses" and subject to a maximum FROC as set for each Class of each Sub-Fund in the relevant Supplement.

The FROC does not include transaction costs, stock lending charges, interest on bank overdraft and any other extraordinary fees and expenses as further detailed below under "Other Fees and Expenses".

The SICAV will enter into an arrangement with the Investment Manager where the Investment Manager will reimburse the SICAV on behalf of the Sub-Fund for the relevant Class of Shares any amount (as the case may be on a prorata basis) qualifying as Operating Costs and Expenses which exceeds the FROC.

Conversely, the Investment Manager will be paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares the difference between the FROC and the total amount of Operating Costs and Expenses which has actually been paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares if such amount is less than the FROC.

The FROC as paid by the SICAV on behalf of a Sub-Fund for the relevant Class of Shares is disclosed in the semi-annual and annual reports.



## **Other Fees and Expenses**

In addition to the Operating Costs and Expenses described above under "Fixed Rate of Operating Costs", each Class bears the costs relating to certain transactions such as the costs of buying and selling underlying securities, costs charged by any financial institution in relation to swap agreements or OTC transactions, correspondent bank charges relating to delivery, receipt of securities or to foreign exchange transactions, fees relating to collateral management (including delivery or receipt of collateral).

Furthermore, each Share Class bears any extraordinary expenses incurred by external factors, some of which may not be reasonably foreseeable in the normal course of activity of the SICAV such as, without limitation, any litigation expenses, or any tax, levy, duty or similar charge of fiscal nature imposed on the SICAV or its assets by virtue of a change of laws or regulations, that would otherwise not qualify as ordinary expenses.

## **Allocation of Assets, Charges and Expenses**

All fees, duties, charges and expenses are attributed to the relevant Sub-Fund with respect to which they were incurred. Where directly or indirectly attributable to one or several Share Class(es) (e.g. transfer agency costs, currency hedging), such fees, duties, charges and expenses shall be solely allocated to the relevant Share Class(es). In case such fees, duties and expenses cannot be allocated to one or several Sub-Fund(s) or Classes, such fees, duties and expenses will be shared by all Sub-Funds or Classes on a pro-rata basis.

## **TAXATION**

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

### **Taxation of the SICAV**

The SICAV is not subject to taxation in Luxembourg on its income, profits or gains. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the SICAV.

The SICAV is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on its net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% *per annum* is applicable to Luxembourg UCITS whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both.

A reduced subscription tax of 0.01% *per annum* is applicable to individual compartments of UCIs with multiple compartments referred to in the UCI Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

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

### **Withholding tax**

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

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

The SICAV is not subject to net wealth tax.

### **Taxation of the Shareholders**

#### **Luxembourg resident individuals**

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

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

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

#### **Luxembourg resident corporate**

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

Luxembourg corporate resident investors who benefit from a special tax regime, such as, for example, (i) an UCI subject to the UCI Law, (ii) specialised investment funds subject to the amended law of 13 February 2007 on specialised investment funds, or (ii) family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) an UCI subject to the UCI Law, (ii) a vehicle governed by the amended law of 22 March 2004 on securitisation, (iii) an investment company governed by the amended law of 15 June 2004 on the investment company in risk capital, (iv) a specialised investment fund subject to the amended law of 13 February 2007 on specialised investment funds or (v) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

### **Non-Luxembourg residents**

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on the distribution received from the SICAV and the Shares will not be subject to net wealth tax. The additional temporary income tax of 0,5% (*impôt d'équilibrage budgétaire temporaire*) will be also due by individuals subject to Luxembourg State social security scheme in relation to their professional and capital income.

### **European Savings Directive**

On 10 November 2015, the European Council adopted Council Directive (EU) 2015/2060 repealing Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments of 3 June 2003 (the "**Savings Directive**") from 1 January 2017 for Austria and from 1 January 2016 for all other EU Member States (i.e. the Savings Directive will no longer apply once all the reporting obligation concerning the calendar year 2015 will have been complied with).

Under the Savings Directive, EU Member States (the "**Member States**") are required to provide the tax authorities of another Member State with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain residual entities (within the meaning of the Savings Directive) established, in that other Member State.

Under the Luxembourg laws dated 21 June 2005 (the "**Laws**"), implementing the Savings Directive, as amended by the Law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU ("**Territories**"), a Luxembourg-based paying agent is required since 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the Territories, and certain personal details on the beneficial owner. Such details are provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

### **Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive shall apply the first time by 30 September 2018 for the calendar year 2017, i.e. the Savings Directive will apply one year longer.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the SICAV may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (Administration des Contributions Directes), if such account is deemed a CRS reportable account under the CRS Law. The SICAV shall communicate any information to the Investor according to which (i) the SICAV is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (Administration des Contributions Directes); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (Administration des Contributions Directes). Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

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

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

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

### **RISK MANAGEMENT PROCESS**

In accordance with applicable laws and regulations, the Management Company uses a risk management process for each Sub-Fund which enables it to monitor and measure at all times the risks associated with each Sub-Fund's investments and their contribution to the overall risk profile of that Sub-Fund's investment portfolio.

Further information on the approach used by the Management Company to monitor and measure the global exposure of each Sub-Fund, in accordance with applicable legal and regulatory requirements, as well as details on the expected level of leverage for each Sub-Fund, if any, are included in the relevant Supplement.

### **RISK FACTORS**

Prospective investors should consider, among others, the following factors before subscribing for Shares. The risks described herein should not be considered to be an exhaustive list of the risk which potential investors should consider before investing in a Sub-Fund. Different risks may apply to different Sub-Funds. Details of Sub-Fund specific risks in relation to a particular Sub-

Fund which are additional to those described in this section will be disclosed in the relevant Sub-Fund Supplement and the KIID. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

### **General Risks**

Investors should be aware that there are risks inherent in the holding of securities:

- (A) There is no assurance that any appreciation in the value of investments will occur, or that the investment objectives of any Sub-Fund will be achieved. Past performance is not indicative of future results. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.
- (B) The tax treatment of the Sub-Funds may change and such changes cannot be foreseen.
- (C) Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.
- (D) The difference at any one time between subscription and redemption prices for Shares means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.

### *Business Risk*

There can be no assurance that the SICAV will achieve its investment objective in respect of any of the Sub-Funds. The investment results of the Sub-Fund are reliant upon the success of the Investment Manager.

### *Charges to Capital*

Where all or part of fees and/or charges in respect of any Class or Sub-Fund may be charged against capital rather than income, this will enhance income returns but may constrain future capital growth.

### *Effect of Preliminary Fees*

Where an initial fee is charged, an investor who redeems his/her/its Shares after a short period may not (even in the event of a rise in the value of the relevant investments) recover the full amount originally invested.

The Shares therefore should be viewed as medium to long-term investments.

### *Limited Operating History*

The SICAV is a recently formed entity and has little operating history upon which prospective investors can evaluate the likely performance of the SICAV. The past investment performance of the Investment Manager or any of its affiliates, or entities with which it has been associated, may not be construed as an indication of the future results of an investment in the SICAV. The Sub-Funds' investment policies should be evaluated on the basis that there can be no assurance that the assessment of the investment of the short-term or long-term prospects of investments will prove accurate or that the Sub-Funds will achieve their investment objectives.

### *Suspension of Dealings in Shares*

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of exchange) may be suspended (see "**Suspension of Determination of Net Asset Value**").

### *Segregation of Liabilities between Sub-Funds*

As a matter of Luxembourg law, the assets of each Sub-Fund will not be available to meet the liabilities of another. However, the SICAV is a single legal entity which may operate or have assets held on behalf of or be subject to claims in other jurisdictions which may not necessarily recognise such ring-fencing and, in such circumstances, the assets of one Sub-Fund may be exposed to the liabilities of another.

### *Depositary – Segregation, Correspondent Banks and Insolvency*

Where securities are held with a correspondent bank of the Depositary or by a securities depositary or clearing system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the SICAV may have to share that shortfall on a pro-rata basis. Securities may be deposited with clearing brokers which the Depositary is not obliged to appoint as its correspondent banks and in respect of the acts or defaults of which the Depositary shall have no liability. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed correspondent banks provided that the Depositary has complied with its duties arising from the Custodian Agreement.

The SICAV is at risk of the Depositary or a correspondent bank entering into an insolvency procedure. During such a procedure (which may last many years) the use by the SICAV of assets held by or on behalf of the Depositary or the relevant correspondent bank, as the case may be, may be restricted and accordingly (a) the ability of the Investment Manager to fulfil the investment objective of each Sub-Fund may be severely constrained, (b) the Sub-Funds may be required to suspend the determination of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, the SICAV is likely to be an unsecured creditor in relation to certain assets and accordingly the SICAV may be unable to recover such assets from the insolvent estate of the Depositary or the relevant correspondent bank, as the case may be, in full, or at all.

### *Depositary Liability*

In the event of loss suffered by the SICAV as a result of the Depositary's actions or omissions, the SICAV would generally, in order to bring a successful claim against the Depositary, have to demonstrate that it has suffered a loss as a result of Depositary's failure to use such reasonable care as may be expected of a leading global custodian in performing its obligations under the Custodian Agreement. The SICAV may also have to demonstrate that it has suffered a loss as a result of the Depositary's negligence, fraud or wilful default.

### *Market Crisis and Governmental Intervention*

The global financial markets recently experienced pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in

scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to fulfil a Sub-Fund's investment objectives. However, the Investment Manager believes that there is a high likelihood of significantly increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of a Sub-Fund's portfolio.

#### *Taxation Risk*

Where the SICAV invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The SICAV will not be able to recover such withheld tax and so any such change would have an adverse effect on the Net Asset Value of the Shares. Where the SICAV sells instruments short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such instruments cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the SICAV.

The attention of potential investors is drawn to the taxation risks associated with investing in any Sub-Fund. Please see the heading "Taxation" above.

#### *Hedging Risk*

Hedging is a strategy in which a derivative or other instrument or practice is used to offset the risks associated with other Sub-Fund holdings. Losses on the other investment may be substantially reduced by gains on a derivative that reacts in an opposite manner to market movements. While hedging can reduce losses, it can also reduce or eliminate gains or cause losses if the market moves in a manner different from that anticipated by a Sub-Fund or if the cost of the derivative outweighs the benefit of the hedge. Hedging also involves correlation risk, i.e. the risk that changes in the value of the derivative will not match those of the holdings being hedged as expected by a Sub-Fund, in which case any losses on the holdings being hedged may not be reduced or may be increased. The inability to close options and futures positions also could have an adverse impact on a Sub-Fund's ability to hedge effectively its portfolio. There is also a risk of loss by a Sub-Fund of margin deposits or collateral in the event of bankruptcy of a broker with whom the Sub-Fund has an open position in an option, a futures contract or a related option. There can be no assurance that a Sub-Fund's hedging strategies will be effective. The use of hedging may have tax implications on a Sub-Fund and its shareholders. There could be an increase (or decrease) in the amount of taxable dividends paid by a Sub-Fund and may impact whether dividends paid by a Sub-Fund are classified as capital gains or ordinary income. The use of derivatives increases the risk that a Sub-Fund will be unable to close out certain hedged positions to avoid adverse tax consequences.

The Investment Manager may, if set out in the relevant sections of the relevant Supplement, enter into certain transactions using futures, forwards or other exchange-traded or OTC instruments or by the purchasing of securities ("**Hedging transactions**") to hedge the Sub-Fund's exposure to foreign exchange risk where Classes of Shares are denominated in a currencies other than the Reference Currency of the relevant Sub-Fund and/or certain other exposures including the risk of the value of a Class of Shares, or any increase thereto, being reduced by inflation in the Reference currency of the relevant Class.

Hedging transactions, while potentially reducing the risk of currency and inflation exposure which a Class of Shares may otherwise be exposed to, involve certain other risks, including the risk of a

default by a counterparty, as described under "Risks associated with financial derivative instruments" below. There is no guarantee that a Hedging transaction will fully protect a Class of Shares against foreign exchange and/or inflation risks.

Please refer to the heading "Specific Risk Factors" in the relevant sections in the relevant Supplement for further risks associated with Hedging transactions.

#### *FATCA related risks*

Although the SICAV will attempt to satisfy any obligations imposed on it and to avoid the imposition of any FATCA penalty withholding, no assurance can be given that the SICAV will be able to achieve this and/or satisfy such FATCA obligations. If the SICAV becomes subject to a FATCA penalty withholding as a result of the FATCA regime, the value of the Shares held by Shareholders may suffer material losses.

### **Specific Risks**

#### *Concentration of Investments*

A Sub-Fund may at certain times hold relatively few investments. Such a Sub-Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

#### *Credit Risk*

Credit risk represents the risk of a downgrade of an issuer and the risk that such issuer cannot meet its repayment commitments, which may result in a fall in the price of the security issue by such issuer and therefore a decline in a Sub-Fund's Net Asset Value. A Sub-Fund invests in debt securities that are subject to varying degrees of risk that the issuers of the securities will have their credit ratings downgraded or will default, potentially reducing the value of the securities. A Sub-Fund may enter into financial transactions that involve a limited number of counterparties, which may increase the Sub-Fund's exposure to credit risk. A Sub-Fund does not specifically limit its credit risk with respect to any single counterparty. Further, there is a risk that no suitable counterparties will be willing to enter into, or continue to enter into, transactions with a Sub-Fund and, as a result, the Sub-Fund may not be able to achieve its investment objective.

#### *Credit Spreads*

A Sub-Fund may make investments that expose it to corporate credit spreads and movements in such spreads will thus impact on the Net Asset Value per Share of each Class.

#### *Debt Securities*

The Sub-Funds may invest in fixed income securities which may be not be rated by a recognised credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Because investors generally perceive that there are greater risks associated with unrated and below investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the Sub-Funds. The Sub-Funds may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Sub-Funds may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Sub-Funds will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating



agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

### *Convertible Bond Transactions*

Convertible bond transactions are designed to be relatively market neutral i.e., they hedge out the directional risks generally associated with unhedged investments in the underlying instruments. However, should the credit status of an issuer weaken, losses may result from decreases in the market conversion premium or a loss of liquidity with respect to the security. These losses will be limited by the short hedge on the underlying security, but may be substantial in relation to the Net Asset Value of the SICAV. The SICAV may also suffer losses if an issuer is acquired for cash or debt securities at a price that does not generate profits on the unhedged portion of a position sufficient to recover the premium paid to acquire the convertible security and any unpaid accrued interest that would be lost should conversion become necessary. Losses may result when securities are called for redemption at prices below the current market prices. Frequently, these losses will include interest accrued but not paid upon conversion of the called securities. In addition, losses may occur if the terms of the convertible bond do not allow for an adjustment in the conversion terms, or the SICAV is forced to convert a security earlier than anticipated.

### *Credit Default Swaps*

The SICAV may take positions in credit default swaps. A credit default swap is a type of credit derivative which allows one party (the "**protection buyer**") to transfer credit risk of a reference entity (the "**reference entity**") to one or more other parties (the "**protection seller**"). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of a number of events (each, a "**credit event**") experienced by the reference entity. Credit default swaps carry specific risks including high levels of gearing, the possibility that premiums are paid for credit default swaps which expire worthless, wide bid/offer spreads and documentation risks. In addition, there can be no assurance that the counterparty to a credit default swap will be able to fulfil its obligations to the SICAV if a credit event occurs in respect of the reference entity. Further, the counterparty to a credit default swap may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in, or an alternative meaning of, language used in the contract, most notably the language specifying what would amount to a credit event.

### *Deferred Redemptions*

In the event that redemption requests are received for redemption of Shares representing, in aggregate, more than 10% of the total number of Shares representing interests in a single Sub-Fund then in issue (such Sub-Fund being a feeder UCITS for which the Master UCITS may defer redemptions), redemption requests may be reduced rateably and pro rata and the redemption of Shares may be carried forward to the next following Dealing Day. In the event of a large number of redemptions, this power to defer redemptions could be exercised on a number of successive Dealing Days and materially restrict a Shareholder's ability to redeem his Shares in such feeder UCITS Sub-Fund (as described in more detail under section entitled "Redemptions").

### *Swap Agreements*

The SICAV may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the SICAV's exposure to long-term or short-term interest rates (in the U.S. or abroad), non-U.S. currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of

names. The SICAV is not limited to any particular form of swap agreement if consistent with the terms of this Prospectus and the investment objective and policy of a Sub-Fund.

Swap agreements tend to shift the SICAV's investment exposure from one type of investment to another. For example, if the SICAV agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease the SICAV's exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the SICAV's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the SICAV. If a swap agreement calls for payments by the SICAV, the SICAV must be prepared to make such payments when due. In addition, if counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses for the SICAV.

#### *Use of Swaps and Other Derivatives*

The Investment Manager may make use of swaps and other forms of derivative contracts. In general, a derivative contract typically involves leverage (within the permitted limits), *i.e.* it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Many of the derivative contracts used by the SICAV will be privately negotiated in the OTC market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. These transactions are also expected to involve significant transaction costs.

#### *Currency Management Strategies*

Currency management strategies are generally used in an attempt to reduce the risk and impact of adverse currency movements to protect the value of, or seek to mitigate the currency exposure associated with, an investment (including, for example, mitigating the exposure to the Euro that may be embedded in the Polish Zloty). Currency management strategies, including forward currency contracts and cross-hedging, may substantially change a Sub-Fund's exposure to currency exchange rates and could result in losses to the Sub-Fund if currencies do not perform as the Investment Manager expects. In addition, currency management strategies, to the extent that such strategies reduce a Sub-Fund's exposure to currency risks, may also reduce the Sub-Fund's ability to benefit from favourable changes in currency exchange rates. There is no assurance that the Investment Manager's use of currency management strategies will benefit a Sub-Fund or that they will be, or can be, used at appropriate times. Furthermore, there may not be a perfect correlation between the amount of exposure to a particular currency and the amount of securities in the portfolio denominated in that currency or exposed to that currency. Currency markets are generally less regulated than securities markets. Derivatives transactions, especially forward currency contracts, currency related futures contracts and swap agreements, may involve significant amounts of currency management strategies risk. Van Eck – Unconstrained Emerging Markets Bond UCITS may utilize these types of instruments to a significant extent and will be especially subject to currency management strategies risk.

#### *Currency Exposure*

The Reference Currency of the Shares and Sub-Funds is set out in the Supplements. The Investment Manager will seek to hedge out currency exposure at Sub-Fund/Class level by entering into forward foreign exchange transactions. The Investment Manager may use spot currency transactions, forward currency contracts and options when available on acceptable

terms to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Notwithstanding the foregoing, and noting that hedging techniques may not be completely effective, where the currency exposure of the Sub-Fund/Class is not fully hedged, the value of the assets of the Sub-Fund/Class may be affected favourably or unfavourably by fluctuations in currency rates. To the extent that hedging policy is successful, performance of a Class is likely to move in line with the performance of the underlying assets and investors in a hedged Class will not benefit if the class currency falls against the Reference Currency of the Sub-Fund. Furthermore, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Euro, the US Dollar and the Sterling and such other currencies. Performance of a Sub-Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Sub-Fund may not correspond with the securities positions held.

### *Currency Options Trading*

The Sub-Funds may acquire and sell currency options, the value of which depend largely upon the likelihood of favourable price movements in the underlying currency in relation to the exercise (or strike) price during the life of the option. Many of the risks applicable to trading the underlying currencies are also applicable to OTC options trading. In addition, there are a number of other risks associated with the trading of options including the risk that the purchaser of an option may at worst lose his entire investment (the premium he pays).

### *Derivatives*

The Sub-Funds may utilise both exchange-traded and OTC derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of their investment policies. These instruments can be highly volatile and expose investors to a high risk of loss. Transactions in OTC contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

Derivatives, in particular derivatives which are negotiated OTC are subject to legal risks including the uncertainty in the applicability of laws, or the interpretation or enforceability of contracts or an action by a court or regulatory body that could invalidate a derivative contract entered into by the SICAV.

The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

### *Particular Risks of OTC Derivatives*

Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC derivatives, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Sub-Fund greater flexibility to tailor the instrument to its needs, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC derivatives are deemed not to be legally enforceable or are not documented correctly.

Transactions in OTC contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

There also may be a legal or documentation risk that the parties to the OTC derivatives may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the SICAV to enforce its contractual rights may lead the SICAV to decide not to pursue its claims under the OTC derivatives. The SICAV thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the SICAV has incurred the costs of litigation.

### *Counterparty Risk*

The Sub-Funds will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

Some of the markets in which a Sub-Fund may effect transactions are OTC (or "**interdealer**") markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such OTC transactions. This exposes the relevant Sub-Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the relevant Sub-Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Sub-Fund has concentrated its transactions with a small group of counterparties. Moreover, although the Sub-Funds shall only transact with eligible counterparties, the Management Company has no formal credit function which evaluates the creditworthiness of the relevant Sub-Fund's counterparties. The ability of a Sub-Fund to transact business with any one or number of counterparties, the lack of any separate evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Sub-Funds.

### *Synthetic Short Selling*

Typically, UCITS, such as the SICAV, invest on a "long only" basis. This means that their net asset value will rise (or fall) in value based on the market value of the assets they hold. Although the SICAV, being a UCITS is not permitted to enter into physical short sales (whether or not backed by stock borrowing), a Sub-Fund may, by employing certain derivative techniques (such as contracts for difference) designed to produce the same economic effect as a short sale (a "**synthetic short**"), establish both "long" and "short" positions in individual stocks and markets. As a result, as well as holding assets that may rise or fall with markets, a Sub-Fund may also hold positions that will rise as the market value falls, and fall as the market value rises. Taking synthetic short positions involves trading on margin and accordingly can involve greater risk than investments based on a long position.

### *Options*

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g. the writer holds the underlying security) assumes the risk of a

decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g. the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (paid to establish the short position) of the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

### *Effect of Substantial Redemptions*

Substantial redemptions by Shareholders within a short period of time could require a Sub-Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the assets of the Sub-Fund and/or disrupting the Investment Manager's investment strategy. Reduction in the size of a Sub-Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Sub-Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

### *Event Driven Investing*

Event driven investing requires the investor to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company financial instruments. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as the Investment Manager had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses to investors. In liquidations and other forms of corporate reorganisation, the risk exists that the reorganisation either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the SICAV of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a federal or state regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of event driven investing, the results of the SICAV's operations may be expected to fluctuate from period to period. Accordingly, Shareholders should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

### *Risk of Investment in Emerging Market Securities*

A Sub-Fund may invest in emerging non-OECD countries. Securities issued by entities established in such countries may be less liquid than the large caps in developed countries; and certain securities from these countries may be difficult to handle, or non negotiable, or no longer negotiable on a momentary basis. This situation is due in particular to the absence of trade in the

relevant market where the securities are traded or due to government intervention or regulatory restrictions. As a result, investing in such securities can result in exceptions to the normal functioning of the SICAV in accordance with applicable rules and regulations. In addition, a market decline could be more marked, and occur faster, than in developed countries. Consequently, the Net Asset Value may decline more sharply and more rapidly than if the relevant Sub-Fund had not invested in such stocks of emerging non-OECD countries.

#### *Foreign Currency Transactions*

A Sub-Fund may purchase and sell foreign currency options and foreign currency futures contracts and related options and may engage in foreign currency transactions either on a spot (cash) basis at the rate prevailing in the currency exchange market at the time or through deliverable and non-deliverable forward foreign currency exchange contracts ("**forwards**").

A Sub-Fund may (but is not required to) engage in these transactions in order to protect against uncertainty in the level of future foreign exchange rates in the purchase and sale of securities. A Sub-Fund may also use foreign currency options and foreign currency forward contracts to increase exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another. Suitable currency hedging transactions may not be available in all circumstances and the Investment Manager may decide not to use hedging transactions that are available.

#### *Forward Foreign Currency Exchange Contracts*

A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are generally effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The Sub-Funds are subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Sub-Funds to cover their commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

Forward foreign currency exchange contracts may be bought or sold to protect a Sub-Fund against a possible loss resulting from an adverse change in the relationship between a foreign currency and another currency (e.g., the US Dollar) or to increase exposure to a particular foreign currency. Although forwards are intended to minimize the risk of loss due to a decline in the value of the hedged currencies, at the same time, they tend to limit any potential gain which might result should the value of such currencies increase. A Sub-Fund might be expected to enter into such contracts under the following circumstances:

**Lock In.** When the Investment Manager desires to lock in the US Dollar price on the purchase or sale of a security denominated in a foreign currency.

**Cross Hedge.** If a particular currency is expected to decrease against another currency, a Sub-Fund may sell the currency expected to decrease and purchase a currency that is expected to

increase against the currency sold in an amount approximately equal to or all of the Sub-Fund's portfolio holdings denominated in or exposed to the currency sold.

**Direct Hedge.** If the Investment Manager wants to eliminate substantially all of the risk of owning a particular currency, and/or if the Investment Manager believes that a Sub-Fund can benefit from price appreciation in a given country's debt obligations but does not want to hold the currency, it may employ a direct hedge back into the US Dollar. In either case, the Sub-Fund would enter into a forward contract to sell the currency in which a portfolio security is denominated or exposed to and purchase US Dollars at an exchange rate established at the time it initiated a contract. The cost of the direct hedge transaction may offset most, if not all, of the yield advantage offered by the non-U.S. security, but the Sub-Fund would hope to benefit from an increase (if any) in the value of the debt obligation.

**Proxy Hedge.** The Investment Manager might choose to use a proxy hedge, which may be less costly than a direct hedge. In this case, a Sub-Fund, having purchased a security, will sell a currency whose value is believed to be closely linked to the currency in which the security is denominated. Interest rates prevailing in the country whose currency was sold would be expected to be close to those in the United States and lower than those of securities denominated in the currency of the original holding. This type of hedging entails greater risk than a direct hedge because it is dependent on a stable relationship between the two currencies paired as proxies and the relationships can be very unstable at times.

**Costs of Hedging.** It is important to note that hedging costs are treated as capital transactions and are not, therefore, deducted from a Sub-Fund's dividend distribution (if any) and are not reflected in its yield. Instead such costs will, over time, be reflected in the Sub-Fund's Net Asset Value per Share.

The forecasting of currency market movement is extremely difficult, and whether any hedging strategy will be successful is highly uncertain. Moreover, it is impossible to forecast with precision the market value of portfolio securities at the expiration of a foreign currency forward contract. Accordingly, a Sub-Fund may be required to buy or sell additional currency on the spot market (and bear the expense of such transaction) if the Investment Manager's predictions regarding the movement of foreign currency or securities markets prove inaccurate. In addition, the use of cross-hedging transactions may involve special risks, and may leave a Sub-Fund in a less advantageous position than if such a hedge had not been established.

### *Information Rights*

Upon request by a Shareholder, the SICAV may provide a Shareholder with information about a Sub-Fund and its portfolio and where the Board of Directors determines that there are sufficient confidentiality agreements and procedures in place. Although this information may not be automatically provided to all other Shareholders in a Sub-Fund, it will be available to all Shareholders upon their request and provided sufficient confidentiality agreements and procedures are in place. As a result, the Shareholder that has received this information may be able to act on such additional information (e.g. redeem his/her/its Shares) that other Shareholders may not automatically receive. Accordingly, not all Shareholders will have the same degree of access to the type and/or frequency of individual position listings in connection with the SICAV and transparency of portfolio characteristics may differ based on individual behaviour of investors depending upon whether or not they will request to be provided with the relevant information about a Sub-Fund and its portfolio and sufficient confidentiality agreements and procedures are in place.

### *Investment Management Risk*

The investment performance of a Sub-Fund is substantially dependent on the services of certain individuals. In the event of the death, incapacity, departure, insolvency or withdrawal of these individuals, the performance of the Sub-Fund may be adversely affected.

### *Legal Risk*

The Sub-Funds may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the developing countries in which assets of the Sub-Funds' may be invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Sub-Funds and their operations.

### *Net Asset Value Considerations*

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Sub-Fund's investments. A Shareholder may not fully recover his/her/its initial investment when he/she/it chooses to redeem his/her/its Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price plus the preliminary fee and/or the dilution levy (or, as the case may be, the Initial Offer Price plus the preliminary fee and/or the dilution levy) paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the SICAV. In addition, where there is any conflict between international financial reporting standards (IFRS) and the valuation principles set out in the Articles and this document in relation to the determination of Net Asset Value, the latter principles shall take precedence.

In calculating a Sub-Fund's Net Asset Value, the Central Administration will agree on procedures for the valuation of the investments. If the valuation is not possible for the Central Administration in accordance with the agreed procedures, the Central Administration will consult the Investment Manager to obtain instructions with respect to the valuation of such investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Sub-Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Sub-Funds, the Investment Manager will endeavour to resolve any such conflict of interest fairly and in the interest of investors.

Investors should also be aware that in certain circumstances investments may be valued at their fair value and in that circumstances the "fair value" may diverge significantly from the next available market price for such instruments.

### *Price Fluctuations*

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

### *Strategy Risk*

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple investment managers in the same investment or general economic or other events that adversely affect particular strategies (e.g., the disruption of historical pricing relationships). The strategies employed by the Sub-Funds may be speculative



and involve substantial risk of loss in the event of such failure or deterioration, in which event the performance of the Sub-Funds may be adversely affected.

#### *Transaction Costs*

The investment policies of the Sub-Funds may involve a high level of trading and turnover of the investments of the Sub-Funds which may generate substantial transaction costs which will be borne by each Sub-Fund separately.

#### *Clearing House Protections*

On many exchanges, the performance of a transaction by a broker (or a third party with whom it is dealing on the SICAV's behalf) is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the SICAV and may not protect the SICAV if a broker or another party defaults on its obligations to the SICAV.

#### *Redemption Risks*

Payment of redemption proceeds may be delayed if the Directors declare a temporary suspension of the determination of the Net Asset Value of the SICAV or a Sub-Fund in any of the exceptional circumstances as described under "Valuation – Suspension of Determination of Net Asset Value" (above).

#### *Undervalued/Overvalued Securities*

One of the key objectives of a Sub-Fund may be to identify and invest in undervalued and overvalued securities ("**misvalued securities**"). The identification of investment opportunities in misvalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognised. While purchases of undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the investments of the Sub-Funds may not adequately compensate for the business and financial risks assumed.

The Sub-Funds may make certain speculative investments in securities which the Investment Manager believes to be misvalued; however, there can be no assurance that the securities purchased and sold will in fact be misvalued. In addition, the Sub-Funds may be required to maintain positions in such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the capital of the Sub-Funds may be committed to the securities, thus possibly preventing the Sub-Funds from investing in other opportunities.

#### *Volatility*

Futures prices are highly volatile. Such prices are influenced by, amongst other things: government trade, fiscal, monetary and exchange control programmes and policies; national and international political and economic events; and changes in interest rates. In addition, governments from time to time intervene, directly and by regulation, in the foreign exchange markets with the specific intention of influencing exchange rates. The effect of such intervention is often heightened by a group of governments acting in concert. The other investments in which the Sub-Funds may invest, principally debt securities, will be subject to their own fluctuations in value as a result of, amongst other things, market, interest rate and currency movements. The Sub-Funds may be exposed to adverse changes in its Net Asset Value as a result of these factors.

#### *Availability of Investment Strategies*

The success of the investment activities of the Sub-Funds will depend on the Investment Manager's ability to identify overvalued and undervalued investment opportunities and to exploit

price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Sub-Funds involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Sub-Funds' assets or to exploit discrepancies in the securities and derivatives markets. A reduction in money market liquidity or the pricing inefficiency of the markets in which the Sub-Funds seek to invest, as well as other market factors, will reduce the scope for the implementation of the Sub-Funds' investment strategies.

The Sub-Funds may be adversely affected by unforeseen events involving such matters as changes in interest rates, exchange rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

#### *Other Activities of the Investment Manager and Management Company*

The Investment Manager and its members, officers, employees and affiliates, including those involved in the investment management of the Sub-Funds may be engaged in businesses in addition to the investment management of the Sub-Funds. The Investment Manager may have proprietary interests in, and manage and advise, other accounts or funds which may have investment objectives similar or dissimilar to those of the Sub-Funds and/or which may engage in transactions in the same types of securities and instruments as the Sub-Funds. The Sub-Fund's performance may differ significantly from the results achieved by the Investment Manager for other accounts managed or advised by the Investment Manager. When making an investment where conflicts of interest arise, the Investment Manager will endeavour to act in a fair, reasonable and equitable manner as between the SICAV and its other clients. Personnel of the Investment Manager are not required to devote all or any specified portion of their time to managing the affairs of the SICAV and are not required to accord exclusivity or priority to the SICAV in the event of limited investment opportunities, but will devote to the SICAV so much of their time as the Investment Manager deems necessary or appropriate. The Investment Manager may choose to trade or rebalance separate products with similar strategies at different times. Investment activities by the Investment Manager on behalf of other clients may give rise to additional conflicts of interest and demands on their time and resources. The Investment Manager may from time to time act as directors, investment managers, administrators or prime brokers in relation to or otherwise be involved with other companies established by parties other than the SICAV. In such event, should conflicts of interest arise, the Investment Manager will endeavour to ensure that it is resolved fairly in accordance with its conflicts of interest management policy.

The Management Company is an independent entity, appointed under the terms of a Management Company Agreement dated as of 27 September 2012, negotiated, among others, between the Management Company and the SICAV. This Management Company Agreement includes provisions regulating the standards to which the Management Company is required to act, the conflicts of interest to which it may be subject and the circumstances in which it can be removed or can resign. Any such resignation or removal or any other premature termination of the appointment of the Management Company as well as any breach of duty by the Management Company will trigger the termination of the Management Company Agreement and may materially adversely affect the SICAV and the Sub-Funds.

#### *Interest Rate Risk*

The SICAV is subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The SICAV may attempt to minimize the exposure of the portfolio to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate

options. However, there can be no guarantee that the Investment Manager will be successful in fully mitigating the impact of interest rate changes on the portfolio.

Interest rate swaps involve the exchange by a Sub-Fund with another party of their respective commitments to pay or receive interest, e.g., an exchange of fixed rate payments for floating rate payments. Cross-currency swaps are interest rate swaps in which the notional amount upon which the fixed interest rate is accrued is denominated in another currency and the notional amount upon which the floating rate is accrued is denominated in another currency. The notional amounts are typically determined based on the spot exchange rate at the inception of the trade.

### **Sub-Fund Specific Risks**

Please review the particular Sub-Fund Supplement for specific risks associated with each particular Sub-Fund. In particular, if a Sub-Fund is acting as feeder fund of a Master, the relevant Sub-Fund's Supplement shall disclose the specific risks associated with such investment.

### **CONFLICTS OF INTEREST**

The Directors, the Management Company, the Investment Manager, the Depositary, the Global Distributor and the Central Administration and/or their respective affiliates or any person connected with them (together the "**Relevant Parties**") may from time to time act as directors, investment manager, manager, distributor, trustee, custodian, depositary, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Sub-Funds or which may invest in the Sub-Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Sub-Funds. The Board of Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the Sub-Funds and will endeavour to ensure that such conflicts are resolved timely and fairly. In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the Sub-Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Any Relevant Party may deal with the SICAV as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Management Company Agreement, the Investment Management Agreement, the Central Administration Agreement, the Global Distribution Agreement or the Custodian Agreement, where and to the extent applicable.

The Investment Manager or any of its affiliates or any person connected with the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Sub-Funds. Neither the Investment Manager nor any of its or their affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the SICAV or to account to the SICAV in respect of (or share with the Sub-Funds or inform the SICAV of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the SICAV and other clients.

In calculating a Sub-Fund's or a Class' Net Asset Value, the Central Administration may consult with the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the Net Asset Value of a Sub-Fund and the entitlement of the Investment Manager to the Investment Manager's fee which is calculated on the basis of the Net Asset Value of the Sub-Fund.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Sub-Funds. The Directors will seek to ensure that any conflict of interest of which they are aware is resolved timely and fairly.

## SOFT COMMISSIONS, REBATES AND RETROCESSIONS

### Soft Commissions

The Investment Manager may execute transactions with respect to a Sub-Fund or arrange for the execution of such transactions through brokers with whom it has so-called "soft commission" arrangements. The benefits provided under such arrangements will assist the Investment Manager in the provision of investment services to the SICAV. The goods and services provided under these arrangements may contribute to the improved performance of the SICAV or Sub-Fund(s), and to improve the services provided by the Investment Manager. When entering into such arrangements with brokers or when dealing with these brokers, the Investment Manager will act with the view of preserving the best interest of the SICAV or the relevant Sub-Fund. Such services, which may take the form of research services, quotation services, news wire services, portfolio and trade analysis software systems, special execution and clearance capabilities, may also be used by the Investment Manager in connection with transactions in which the SICAV will not participate.

The Investment Manager will inform the Board of Directors of the existence, nature and value of such soft commission arrangements. Main terms of these arrangements will also be provided for in the semi-annual reports of the SICAV and more information will be available from the Investment Manager upon request of the Shareholders.

Since commission rates in the U.S. are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable. Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), provides a "safe harbour" to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment managers in the performance of investment decision-making responsibilities. The Investment Manager intends to limit its use of "soft dollars" to those services which would be within the safe harbour afforded by Section 28(e) of the Exchange Act.

### Rebates and Retrocessions

Subject to applicable law and regulations, the Global Distributor or any of its sub-distributors, at their discretion, may on a negotiated basis, enter into private arrangements with a sub-distributor under which they make payments to or for the benefit of such sub-distributor which represent a rebate of all or part of the fees paid by the SICAV to them. In addition, the Global Distributor or a sub-distributor at their discretion, subject to applicable laws and regulations, may on a negotiated basis enter into private arrangements with a Shareholder or prospective Shareholder under which the Global Distributor or sub-distributor are entitled to make payments to the Shareholders of part or all of such fees paid by the SICAV to the Global Distributor. Consequently, the effective net fees payable by a Shareholder who is entitled to receive a rebate under the arrangements described above may be lower than the fees payable by a Shareholder who does not participate in such arrangements. Such arrangements reflect terms privately agreed between parties other than the SICAV, and for the avoidance of doubt, the SICAV cannot, and is under no duty to, enforce equality of treatment between Shareholders by other entities.

## CO-MANAGEMENT AND POOLING

To ensure effective management of the SICAV, the Board of Directors may decide – with the prior approval of the Depositary - to manage all or part of the assets of one or more Sub-Fund(s) with those of other Sub-Funds in the SICAV (so-called "**pooling**") or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Fund(s) with the assets of other Luxembourg investment funds or of one or more funds of other Luxembourg investment funds (hereinafter referred to as the "**Party(ies) to the co-managed assets**") for

which the SICAV's Depositary is the appointed depositary bank where the Board of Directors is of the opinion that the pooling will be profitable to the SICAV and/or the Sub-Fund(s). These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective Prospectuses and investment restrictions.

Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets. Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets. The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Board of Directors may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets. Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets. All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a Sub-Fund of the SICAV as a result of the Sub-Fund's participation in co-management and even if the Management Company has complied with the investment restrictions applicable to the co-managed assets in question, the Management Company shall reduce the investment of the Sub-Fund to a level that respects the investment restrictions of the Sub-Fund, either by reducing the Sub-Funds' participation in the co-managed assets or by reducing the Sub-Fund's direct exposure to the concerned investment.

When the SICAV is liquidated or when the Board of Directors of the SICAV decides to withdraw the participation of the SICAV or a Sub-Fund of the SICAV from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management in as much as all Parties to the co-managed assets have the same depositary bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the portion of assets and liabilities attributable to each Sub-Fund of the SICAV will be constantly identifiable.

## **GENERAL INFORMATION ON THE SICAV**

### **Shareholder Meetings and Reports to Shareholders**

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the SICAV or of any Sub-Fund) shall be mailed to each Shareholder at least 8 calendar days prior to the meeting and/or shall be published to the extent and in the manner required by Luxembourg law as shall be determined by the Board of Directors. Alternatively, the Board of Directors may mail to each Shareholder such notice by registered mail at least 8 calendar days prior to the meeting.

If the Articles are amended, such amendments shall be filed with the Luxembourg Trade and Companies' Register and published in the Mémorial C.

Detailed audited reports of the SICAV on its activities and on the management of its assets are published annually; such reports shall include, *inter alia*, a statement of assets and liabilities, a detailed income and expenditure account for the financial year, the number of Shares in issue and the Net Asset Value per Share in each Sub-Fund or Class thereof, a report on the activities of the financial year, a description of the assets of each Sub-Fund and a report from the Independent Auditor. The semi-annual unaudited reports of the SICAV on its activities are also published including, *inter alia*, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The SICAV's financial statements will be prepared in accordance with Luxembourg GAAP. The combined accounts of the SICAV are maintained in US Dollar being the Reference Currency of the SICAV. The financial statements relating to the separate Sub-Funds shall also be expressed in the Reference Currency of the relevant Sub-Fund.

The aforementioned documents will be at the disposal of the Shareholders within four (4) months for the annual reports and 2 months for the semi-annual reports of the date thereof at the registered office of the SICAV. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge upon request by any investor at the registered office of the SICAV, the Management Company, the Investment Manager or the Central Administration.

The accounting year of the SICAV commences on 1 October of each year and terminates on 30 September of each year. The SICAV will publish an annual report within four months following the period to which it refers and a semi-annual report drawn up within two months following the period to which it refers.

The annual general meeting takes place at the registered office of the SICAV or at a place specified in the notice of meeting each year on the third Thursday of the month of March at 11:00 a.m. If such day is a legal or a bank holiday in Luxembourg, the annual general meeting shall be held on the next following Business Day.

The Shareholders of any Class or Sub-Fund may hold, at any time, general meetings to decide on any matters that relate exclusively to such Class or Sub-Fund.

### **Dissolution and Liquidation of the SICAV**

The SICAV may be dissolved at any time by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in the Articles, the question of the dissolution of the SICAV shall be referred to a general meeting of Shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares present or represented at the meeting and validly cast.

The question of the dissolution of the SICAV shall also be referred to a general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one quarter of the Shares present or represented at the meeting and validly cast.

The meeting must be convened so that it is held within a period of 40 calendar days from the ascertainment that the net assets have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the CSSF and appointed at the general meeting of Shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of each Sub-Fund shall be distributed by the liquidators to the Shareholders of each Class of the relevant Sub-Fund in proportion to their holding of such Class.

Should the SICAV be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the applicable provisions of Luxembourg law. Luxembourg law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides for a deposit in escrow at the "*Caisse de Consignation*" at the time of the closing of the liquidation. Liquidation proceeds available for distribution to Shareholders in the course of the liquidation that are not claimed by Shareholders at the closing of the liquidation will be deposited at the *Caisse de Consignation* in Luxembourg, where for a period of 30 years they will be held at the disposal of the persons entitled thereto.

## **Closure of Sub-Funds and Classes**

### **Closure decided by the Board of Directors**

In the event that for any reason the total Net Asset Value of any Class or Sub-Fund has not reached or has decreased to an amount determined by the Board of Directors to be the minimum level for such Class or Sub-Fund to be operated in an economically efficient manner, or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, the Board of Directors may decide to redeem all the Shares of the relevant Class or Sub-Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation Day at which such decision shall take effect and therefore close the relevant Sub-Fund or Class.

The SICAV shall serve a written notice to the Shareholders of the relevant Class or Sub-Fund prior to the effective date for the compulsory redemption. This notice will indicate the reasons and the procedure for the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Class or the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

### **Closure decided by the Shareholders**

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of Shareholders of any Sub-Fund or Class thereof may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Sub-Fund or Class thereof and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of the Shares present or represented and voting.

### ***Liquidation or Reorganisation of a Master in which a Sub-Fund invests***

In accordance with the provisions of the UCI Law governing master and feeder UCITS, a Sub-Fund investing into a Master in the meaning of the UCI Law shall be closed, as described in this section, if that Master is liquidated, divided into two or more UCITS or merged with another UCITS, unless the CSSF approves either (a) the investment of at least 85% of the assets of the relevant Sub-Fund into units of another master UCITS, or (b) the Sub-Fund's conversion into a Sub-Fund which is not a feeder UCITS in the meaning of the UCI Law.

### **Consequences of the closure**

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law. After such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto. All redeemed Shares shall be cancelled. The liquidation of the last remaining Sub-Fund of the SICAV will result in the liquidation of the SICAV as referred to in Article 181 (6) of the UCI Law.

### **Mergers**

#### **General**

Mergers of the SICAV or Sub-Funds can be performed in accordance with the form, modalities and information requirements provided for by the UCI Law; the legal consequences of mergers are governed by and described in the UCI Law. Within the meaning of the UCI Law, the term "merger" means an operation whereby:

- (a) one or more UCITS or sub-funds thereof (the "**merging UCITS**") 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**") 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**") 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; or
- (c) one or more UCITS or sub-funds thereof (the "**merging UCITS**") 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**").

Under the terms of the UCI Law, the SICAV or its Sub-Funds may be involved in cross-border mergers with merging or receiving UCITS established in other Member States. The UCI Law describes the procedure applicable to cross-border mergers, including provisions on the prior authorisation of the merger by the CSSF (if the SICAV is the merging UCITS) or the competent authorities of any other Member State where the merging UCITS is established.

Any cost associated with the preparation and the completion of a merger shall neither be charged to the Sub-Funds or the Shareholders.

#### *Mergers decided by the Board of Directors*

- (A) The Board of Directors may decide to proceed with a merger (within the meaning of the UCI Law) of the SICAV, either as receiving or absorbed UCITS, with another existing or new Luxembourg or foreign UCITS or a sub-fund thereof (the "**New UCITS**") and, as appropriate, to redesignate the Shares of the SICAV concerned as Shares of this New UCITS.



In case the SICAV involved in a merger is the receiving UCITS (within the meaning of the UCI Law), solely the Board of Directors will decide on the merger and effective date thereof. In the case the SICAV involved in a merger is the absorbed UCITS (within the meaning of the UCI Law), and hence ceases to exist, the general meeting of the Shareholders, rather than the Board of Directors, has to approve, and decide on the effective date of, such merger by a resolution adopted with no quorum requirement and at a simple majority of the shares present or represented.

Such a merger shall be subject to the conditions and procedures imposed by the UCI Law, in particular concerning the merger project and the information to be provided to the Shareholders.

- (B) The Board of Directors may decide to proceed with a merger (within the meaning of the UCI Law) of any Sub-Fund, either as receiving or absorbed Sub-Fund, with another existing or new Sub-Fund within the SICAV (the "**New Sub-Fund**") or a New UCITS and, as appropriate, to redesignate the Shares of the Sub-Fund concerned as Shares of the New UCITS or of the New Sub-Fund, as applicable.

Such a merger shall be subject to the conditions and procedures imposed by the UCI Law, in particular concerning the merger project and the information to be provided to the Shareholders.

#### *Right to Redeem Shares Before the Effective Date of a Merger*

If the SICAV or a Sub-Fund is involved in a merger within the meaning of the UCI Law as a merging or receiving UCITS, as described above, Shareholders of the SICAV or the relevant Sub-Fund, as applicable, will in any case be entitled to request, without any charge other than those retained by the SICAV or Sub-Fund to meet divestment costs, the redemption of their Shares, or, where possible, to convert them into units or shares of another Sub-Fund or UCITS (or sub-fund thereof) pursuing a similar investment policy and managed by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by substantial direct or indirect holding, in accordance with the relevant provisions of the UCI Law.

Shareholders will receive information on any contemplated merger, in accordance with the terms of the UCI Law, at least one month prior to the last date for requesting redemption or conversion of their Shares as provided above.

#### **Directors' Interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the SICAV and the Shares are set out below:

- (A) Uwe Eberle and Philip Schlegel are members of the board of directors of the Global Distributor and Revel Wood is a member of the board of directors and a conducting officer of the Management Company.
- (B) The Directors or companies of which they are officers or employees may subscribe for, exchange or redeem Shares in the SICAV on the same terms as other prospective investors or Shareholders.

#### **Indemnity**

The Articles provide that every Director, agent, auditor, or officer of the SICAV and his/her personal representatives shall be indemnified and secured harmless out of the assets of the SICAV against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities

incurred or sustained by him/her in or about the conduct of the SICAV business or affairs or in the execution or discharge of his/her duties, powers, authorities or discretions, including actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred by him/her in defending (whether successfully or otherwise) any civil proceedings concerning the SICAV in any court whether in Luxembourg or elsewhere. No such person shall be liable: (i) for the acts, receipts, neglects, defaults or omissions of any other such person; or (ii) by reason of his/her having joined in any receipt for money not received by him/her personally; or (iii) for any loss on account of defect of title to any property of the SICAV; or (iv) on account of the insufficiency of any security in or upon which any money of the SICAV shall be invested; or (v) for any loss incurred through any bank, broker or other agent; or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his/her office or in relation thereto, unless the same shall happen through his/her own gross negligence or wilful misconduct against the SICAV.

### **Documents Available**

Copies of the following documents may be obtained free of charge upon request during usual business hours on any Business Day in Luxembourg at the registered office of the SICAV or from the Central Administration:

- (A) The Articles and any amendments thereto;
- (B) The Prospectus, the Supplements and the KIID;
- (C) The Management Company Agreement between the SICAV and the Management Company;
- (D) The Custodian Agreement between the SICAV and the Depository;
- (E) The Central Administration Agreement between the Management Company, the SICAV and the Central Administration;
- (F) The Investment Management Agreement between the SICAV, the Management Company and the Investment Manager;
- (G) The Global Distribution Agreement between the SICAV, the Management Company and the Global Distributor; and
- (H) The latest annual and semi-annual reports and accounts referred to under the heading "Shareholder meetings and reports to Shareholders".

### **Complaints handling**

Information on the procedures in place for the handling of complaints by prospective investors and/or Shareholders is available, upon request, from the SICAV or the Central Administration.

## APPENDIX 1 : INVESTMENT RESTRICTIONS AND POWERS

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Sub-Fund, the Reference Currency of a Sub-Fund and the course of conduct of the management and business affairs of the SICAV.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under the relevant Supplement, the investment policy shall comply with the investment rules and restrictions laid down hereafter and in the Articles:

### 1. Permitted Investments

The investments of a Sub-Fund must comprise only one or more of the following:

- 1.1 Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- 1.2 Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State which is regulated, operates regularly and is recognised and open to the public;
- 1.3 Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a Member State or Non-Member State or dealt in on an Other Regulated Market in a Non-Member State;
- 1.4 recently issued Transferable Securities and Money Market Instruments, provided that:
  - (A) the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, stock exchange or on an Other Regulated Market as described under 1.1 to 1.3 above;
  - (B) such admission is secured within one year of issue;
- 1.5 units of UCITS and/or other UCIs within the meaning of Article 1 (2), points a) and b) of the UCITS Directive, whether or not established in a Member State, provided that:
  - (A) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - (B) the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (C) the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - (D) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;

- 1.6 deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a Non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- 1.7 financial derivative instruments, in particular options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or an Other Regulated Market referred to in 1.1 to 1.3 above, and/or financial derivative instruments dealt in OTC, provided that:
- (A) - the underlying consists of instruments covered by this section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objectives;
  - the counterparties 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 value at the SICAV's initiative;
  - exposure to the underlying assets does not exceed the investment restrictions set out in 2.12 below.
- (B) Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objectives.
- 1.8 Money Market Instruments other than those dealt in on a Regulated Market or an Other Regulated Market, and which fall within the definition given in the Definitions section of this Prospectus, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- (A) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a Non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - (B) issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Markets referred to in 1.1, 1.2 or 1.3 above; or
  - (C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
  - (D) 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 Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with 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.

1.9 shares issued by one or several other Sub-Funds of the SICAV (the "**Target Fund**"), under the following conditions:

- (A) the Target Fund does not invest in the investing Sub-Fund;
- (B) not more than 10 % of the assets of the Target Fund may be invested in other UCIs;
- (C) the voting rights linked to the Transferable Securities of the Target Fund are suspended during the period of investment; and
- (D) in any event, for as long as these securities are held by the SICAV, their value will not be taken into consideration for the determination of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law.

1.10 However, each Sub-Fund:

- (A) shall not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments other than those referred to above under 1.1 to 1.5 and 1.8 above;
- (B) shall not acquire either precious metals or certificates representing them;
- (C) may hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the shareholders;
- (D) may acquire movable and immovable property which is essential for the direct pursuit of its business;
- (E) may borrow up to 10% of its net assets, provided that such borrowings (i) are made only on a temporary basis or (ii) enables the acquisitions of immovable property essential for the direct pursuit of its business. Where a Sub-Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its assets in total. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction; and
- (F) may acquire foreign currency by means of a back-to-back loan.

## 2. **Investment Restrictions**

2.1 For the purpose of calculating the restrictions described in 2.3 to 2.7, 2.10, 2.11, 2.22, 2.23 below, companies which are included in the same Group of Companies are regarded as a single issuer.

2.2 To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that

sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.

### **Transferable Securities and Money Market Instruments**

- 2.3 No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
- (A) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such issuer; or
  - (B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would 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.
- 2.4 A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- 2.5 The limit of 10% set forth above under 2.3(A) above is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Non-Member State or by a public international body of which one or more Member State(s) are member(s).
- 2.6 The limit of 10% set forth above under 2.3(A) above is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.
- 2.7 The securities specified under 2.5 and 2.6 above are not to be included for purposes of computing the ceiling of 40% set forth above under 2.3(B) above.
- 2.8 **Notwithstanding the ceilings set forth above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other member State of the OECD, by certain non-member States of the OECD (currently Brazil, Indonesia, Russia and South Africa) or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.**

2.9 Without prejudice to the limits set forth hereunder under 2.24 and 2.25 below, the limits set forth in 2.3 above are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

- (A) the composition of the index is sufficiently diversified;
- (B) the index represents an adequate benchmark for the market to which it refers;
- (C) it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.

#### **Bank Deposits**

2.10 A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

#### **Derivative Instruments**

2.11 The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in 1.6 above, or 5% of its net assets in other cases.

2.12 Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in this section. When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits set out above.

2.13 When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of 1.7 above as well as with the risk exposure and information requirements laid down in the present Prospectus.

2.14 When a Sub-Fund invests in total return swaps or in other financial derivative instruments with similar characteristics, information relating to the underlying assets and strategy and to the relevant counterparties shall be described in the relevant Supplement.

2.15 When a Sub-Fund invests in financial derivative instruments related to an index for investment purposes, information on the index and its rebalancing frequency shall be disclosed in the relevant Supplement, by way of reference to the website of the index sponsor as appropriate.

#### **Units of other UCITS/UCIs**

2.16 Unless otherwise provided in a Sub-Fund's specific part of this Prospectus, a Sub-Fund may not invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs. If a Sub-Fund is authorised to invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs, the investment in the units of a single other UCITS or a single other UCI may however not exceed 20% of the relevant Sub-Fund's net assets.

- 2.17 For the purpose of the application of this investment limit, each portfolio of a UCI with multiple portfolios within the meaning of Article 181 of the UCI Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various portfolios vis-à-vis third parties is ensured. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of a Sub-Fund.
- 2.18 When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or other UCIs.
- 2.19 A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in the relevant Sub-Fund's part of this Prospectus the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report, the SICAV shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

#### **Master-Feeder structure**

- 2.20 If and as specified in the relevant Supplement, a Sub-Fund may act as a feeder UCITS of a Master in the meaning of the UCI Law. In such case, the relevant Sub-Fund shall invest at least 85% of its assets in shares/units of the master UCITS or sub-fund thereof (the "**Master**"), which is not itself a feeder UCITS nor holds shares/units of a feeder UCITS. The Sub-Fund, as feeder UCITS, may not invest more than 15% of its assets in one or more of the following:
- (A) ancillary liquid assets in accordance with Article 41 second indent of second paragraph of the UCI Law;
  - (B) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1), point g) and Article 42 (2) and (3) of the UCI Law;
  - (C) movable and immovable property which is essential for the direct pursuit of the SICAV's business.
- 2.21 When a Sub-Fund invests in the shares/units of a Master which is managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares/units of the Master.
- 2.22 Should a Sub-Fund qualify as a master fund of another UCITS (the "**Feeder**"), the Feeder fund will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.
- 2.23 Should a Sub-Fund qualify as Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in the Sub-Fund's Supplement. In its annual report, the SICAV shall include a statement on the aggregate charges of both the Feeder and the Master.



### **Combined limits**

- 2.24 Notwithstanding the individual limits laid down in 2.3, 2.10 and 2.11 above, a 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:
- (i) investments in Transferable Securities or Money Market Instruments issued by that body;
  - (ii) deposits made with that body; and/or
  - (iii) exposures arising from OTC derivative transactions undertaken with that body.
- 2.25 The limits set out in 2.3, 2.5, 2.6, 2.10, 2.11 and 2.22 above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with 2.3, 2.5, 2.6, 2.10, 2.11 and 2.22 above may not exceed a total of 35% of the net assets of each Sub-Fund.

### **Limitations on control**

- 2.26 The SICAV may not acquire such amount of shares carrying voting rights which would enable the SICAV to exercise legal or management control or to exercise a significant influence over the management of the issuer.
- 2.27 The SICAV may acquire no more than (i) 10% of the outstanding non-voting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of a sub-fund of the same UCITS or other UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

- 2.28 The limits set forth above under 2.24 and 2.25 do not apply in respect of:
- (A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
  - (B) Transferable Securities and Money Market Instruments issued or guaranteed by any Non-Member State;
  - (C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s); or
  - (D) Shares in the capital of a company which is incorporated under or organised pursuant to the laws of a state which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under 2.3 to 2.7, 2.10, 2.11 and 2.14 to 2.25.

- (E) Shares held by one or more Sub-Funds in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

### 3. **Additional Investment Restrictions**

- 3.1 No Sub-Fund may acquire commodities or precious metals or certificates representative thereof.
- 3.2 No Sub-Fund may invest in real estate or any option, right or interest therein provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- 3.3 The investment policy of a Sub-Fund may replicate the composition of an index of securities or debt securities, in compliance with the Grand Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing the UCITS Directive.
- 3.4 A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned in 1.5, 1.7 and 1.8 above and shall not prevent the lending of securities in accordance with applicable laws and regulations (as described further in 'Securities Lending and Borrowing' below).
- 3.5 The SICAV may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed in 1.5, 1.7 and 1.8 above.
- 3.6 The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.
- 3.7 If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.
- 3.8 To the extent that such an investment complies with the investment policy and objectives of the relevant Sub-Fund, the Investment Manager may invest the assets of the relevant Sub-Fund into units of other UCIs, other UCITS or Sub-Funds thereof, which it manages directly or indirectly or which an investment manager that the Investment Manager directly or indirectly controls, manages, subject to the investment restrictions listed above *inter alia* in 2.14 and following.
- 3.9 The Board of Directors has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the SICAV are offered or sold.

### 4. **Techniques and Instruments**

#### 4.1 *General*

The SICAV may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for hedging and efficient portfolio management purposes within the conditions and limits provided by the CSSF circular 08/356 issued by the CSSF on 4 June 2008 (the "**CSSF Circular 08/356**") (as may be amended, supplemented or replaced), CSSF circular

14/592 regarding the ESMA Guidelines on ETFs and other UCITS issues (the "CSSF Circular 14/592") and any guidelines issued from time to time by the European Securities and Markets Authority ("**ESMA**"), as well as for investment purposes.

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

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as set out in the relevant Supplement.

Use of the aforesaid techniques and instruments involves certain risks and there is no assurance that the objective sought to be obtained from such a use will be achieved.

It is first to be noted that although applicable regulations require each Sub-Fund entering into one of the above transactions to receive sufficient collateral to reduce its counterparty exposure, these regulations do however not compulsorily require a full coverage of such counterparty exposure. This leaves room for the Sub-Funds to be exposed to a net counterparty risk and investors should be aware of the possible resulting loss in case of default of the relevant counterparty.

In relation to repurchase transactions and reverse repurchase transactions, investors must notably be aware that in the event of the failure of the counterparty from which securities have been purchased or sold there is the risk that the value of the securities purchased or sold may yield less than the cash originally paid, notably because of inaccurate pricing of said securities, an adverse market value evolution, a deterioration in the credit rating of the issuers of such securities, or the illiquidity of the market in which these are traded.

In relation to securities lending transactions, investors must notably be aware that if the borrower of securities lent by a Sub-Fund fail to return these there is a risk that the collateral received may be realised at a lower value than the value of the securities lent out, notably 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.

In case of reinvestment of cash collateral, as assets in which cash collateral is reinvested are subject to the same risks as those further described in other sections of this Prospectus in relation to direct investment of the Sub-Fund, such reinvestment may yield a sum less than the amount of collateral to be returned hence creating leverage with corresponding risks and risk of losses and volatility.

#### **4.2** *Securities Lending*

The SICAV may, for efficient portfolio management purposes, enter into securities lending and repurchase transactions in respect of securities held within the portfolio of a Sub-Fund provided that they comply with the following rules, as further detailed in the CSSF Circular 08/356, the CSSF Circular 14/592 and any other applicable laws, regulations, circulars or CSSF positions:

- (A) The SICAV may only lend securities through a standardised system organised by a recognised clearing institution or through a first class financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialised in this type of transactions.
- (B) As part of and during the lifetime of the lending transactions, the SICAV must in principle receive a guarantee, the value of which must be at least equivalent to 90% of the global valuation of the securities lent.

This guarantee must be given in the form of liquid assets and/or in the form of securities referred to in the CSSF Circular 08/356 and under 5. below. The guarantee given under any form other than cash or shares/units of an undertaking for collective investment/UCITS must be issued by an entity not affiliated to the counterparty.

Cash guaranties may be reinvested under the conditions set out under 5. below.

In case of a standardised securities lending system organised by a recognised clearing institution or in case of a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialised in this type of transactions, securities lent may be transferred before the receipt of the guarantee if the intermediary in question assures the proper completion of the transaction.

- (C) The SICAV must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the SICAV's assets in accordance with its investment policy.

#### 4.3 *Reverse repurchase and repurchase agreement transactions*

The SICAV may, in respect of a Sub-Fund, on an ancillary basis enter into reverse repurchase and repurchase transactions, which consist of a forward transaction at the maturity of which:

- (A) the seller (counterparty) has the obligation to repurchase the asset sold and the SICAV the obligation to return the asset received under the transaction. Securities that may be purchased in reverse repurchase agreements are limited to those referred to in the CSSF Circular 08/356 and they must conform to the relevant Sub-Fund's investment policy; or
- (B) the SICAV has the obligation to repurchase the asset sold and the buyer (the counterparty) the obligation to return the asset received under the transaction. The SICAV must ensure that, at maturity of the agreement, it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution to the SICAV.

The SICAV may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered as equivalent to those prescribed by EU law.

The SICAV must take care to ensure that the value of the reverse repurchase or repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligations towards its Shareholders.

When a Sub-Fund enters into securities lending and/or reverse repurchase transactions, information on the fees allocation and the counterparties receiving such fees shall be described in the relevant Supplement.

### 5. **Collateral Management for Securities Lending and Repurchase Agreements and for Financial Derivative Transactions**

Assets received from counterparties in securities lending activities, reverse repurchase transactions, and OTC derivative transactions other than currency forwards constitute collateral.

Collateral shall comply with applicable regulatory standards, in particular CSSF circular 14/592 regarding the ESMA guidelines on ETFs and other UCITS issues.

The SICAV will determine the required level of collateral for OTC derivatives transactions, securities lending, reverse repurchase and repurchase agreements transactions by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions, it being understood that this collateral coverage will amount at all times to at least 90% of the exposure to the relevant counterparty.

In accordance with applicable regulatory standards, this collateral must be given in the form of (i) liquid assets and/or (ii) bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope, (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent, (iv) shares or units issued by UCITS investing in bonds/shares issued or guaranteed by first class issuers offering an adequate liquidity, (v) shares or units issued by UCITS investing in shares admitted to or dealt in on a regulated market or on a stock exchange of a member state of the OECD provided that they are included in a main index, (vi) direct investment in bonds and shares with the characteristics mentioned in (iv) and (v). The SICAV will only accept collateral given in the form of cash or investment grade sovereign debt as below indicated.

The collateral must be valued on a daily basis.

Collateral may be offset against gross counterparty exposure provided it meets applicable regulatory standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification. In offsetting collateral its value is reduced by a percentage (a "**haircut**") which provides, inter alia, for short term fluctuations in the value of the exposure and of the collateral.

<b>Eligible Collateral</b>	<b>Haircut</b>
<b>Cash</b>	0%
<b>Investment grade Sovereign Debt</b>	2%

Non cash collateral received by the SICAV in respect of any of these transactions may not be sold, reinvested or pledged.

As the case may be, cash collateral received by the a sub-fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of the sub-fund in accordance with the CSSF Circular 14/592 and will only be:

- (i) placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
- (ii) invested in high-quality government bonds;
- (iii) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the sub-fund is able to recall at any time the full amount of cash on accrued basis; or
- (iv) invested in short-term money market funds as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Re – CESR/10-049).

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

## APPENDIX 2: DEFINITION OF "US PERSON"

For purposes of this Prospectus, a "US Person" means:

- (i) Any natural person resident in the United States;
- (ii) Any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) Any estate of which any executor or administrator is a US Person;
- (iv) Any trust of which any trustee is a US Person;
- (v) Any agency or branch of a non-US entity located in the United States;
- (vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) Any partnership or corporation if:
  - (a) Organized or incorporated under the laws of any non-US jurisdiction; and
  - (b) Formed by a US Person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, "US Person" shall not include:

- (i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (ii) Any estate of which any professional fiduciary acting as executor or administrator is a US Person if:
  - (a) An executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (b) The estate is governed by non-US law;
- (iii) Any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- (iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;

- (v) Any agency or branch of a US Person located outside the United States if:
  - (a) The agency or branch operates for valid business reasons; and
  - (b) The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- (vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.
- (vii) An entity excluded or exempted from the definition of "US Person" in reliance on or with reference to interpretations or positions of the US Securities and Exchange Commission or its staff.

**SUPPLEMENT 1:  
VAN ECK – GLOBAL HARD ASSETS UCITS**

The information contained in this part of this Prospectus in relation to Van Eck – Global Hard Assets UCITS should be read in conjunction with the full text of this Prospectus.

Any reference in this Supplement to "Sub-Fund" shall be understood as a reference to "Van Eck – Global Hard Assets UCITS".

**Name of Sub-Fund:** Van Eck – Global Hard Assets UCITS

**Reference Currency:** USD

**Investment Objective:** The objective of the Sub-Fund's investment policy is to generate medium to longer-term capital growth by means of a portfolio of international equity investments in the commodities sector.

**Benchmark:** S&P North American Natural Resources Index

**Investment Policy:** The investment policy of the Sub-Fund is to seek long-term capital appreciation by investing primarily in Hard-Asset securities.

"Hard Assets" consist of precious metals (including gold), base and industrial metals, energy, natural resources and other commodities. They also include real estate.

A company will be considered to be a Hard Assets company if it directly or indirectly derives at least 50% of its revenues from exploration, development, production, distribution or facilitation of processes relating to Hard Assets.

The Sub-Fund invests at least two thirds of its assets, after deduction of cash, in equities and book-entry securities, including but not limited to shares and equity linked-securities, of companies which primarily generate their income from commodities exploration, development, production or distribution (in this connection, the term "commodities" covers areas such as energy (in particular oil and gas, but also alternative energy), precious metals, non-precious metals, forestry products (timber, pulp and paper), real estate or other areas of natural resources) and in derivatives of financial instruments whose underlying assets represent these equities. The Sub-Fund also seeks to achieve an appropriate risk spread by diversifying the investments across the respective aforementioned securities.

The Sub-Fund may also invest up to 10% of its assets in shares of other UCITS or UCIs. The Sub-Fund may also invest in exchange traded funds (ETFs), which may in part be subject to the advisory or management activities of the Sub-Fund's Investment Manager, as well as in index tracking certificates, exchange traded notes and standard money market instruments.

Furthermore, the Sub-Fund will seek to achieve a broad risk spread by diversifying the investments across various countries and currencies, including emerging markets. Within the investment limits specified in this Prospectus, up



to one third of the Sub-Fund's assets, after deduction of cash, may be invested in other permitted investments which do not meet the aforementioned requirements. This also includes participations and investments of a participatory nature worldwide.

The Sub-Fund may invest in securities of companies with any level of market capitalisation and may therefore have an exposure to small- or mid- cap companies if such investments are in keeping with the Sub-Fund's investment objective and investment policy.

**Derivatives instruments for hedging policy and efficient portfolio management:**

Within the limits of the UCI Law, the Sub-Fund may hedge any currency risk by conducting future and forward transactions as well as currency swaps, and by buying and selling put or call options on currencies and currency futures contracts and use derivatives financial instruments for efficient portfolio management.

The Investment Manager intends to reduce the Sub-Fund's exposure to equity markets, mainly by using financial derivative instruments which will enable the Sub-Fund to hedge its exposure to a stock, sector or general index. Within the limits set forth by the UCI Law, financial derivative instruments used by the Sub-Fund may either be OTC derivatives or derivatives traded on Regulated Markets or Other Regulated Markets.

**Instruments and Techniques:**

The Investment Manager may, in order to achieve the Sub-Fund's investment objective, use instruments and techniques for investment purposes and efficient portfolio management, within the limits set forth by the UCI Law and this Prospectus.

**Risk Management Process:**

In accordance with the UCI law, applicable regulations and circulars, the Management Company uses a risk-management process for the Sub-Fund which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

The Sub-Fund's global exposure will at all times remain within the limits set forth by applicable laws and regulations. As part of the risk management process, the Management Company uses the commitment approach to monitor and measure the global exposure of the Sub-Fund. This approach measures the global exposure related to positions on financial derivative instruments and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the Sub-Fund.

Under the standard commitment approach, each financial derivative instruments position is converted into the market value of an equivalent position in the underlying asset of that financial derivative instrument.

<b>Profile of Typical Investor:</b>	<p>This Sub-Fund is aimed specifically at private and institutional investors who seek a long-term investment in securities and who are aware of the risks of such investment. The investor might be exposed to significant fluctuations on the markets in which the Sub-Fund invests.</p> <p>The amount that is reasonable to invest in this Sub-Fund depends on each investor's individual situation. Investors are also strongly advised to diversify their investments so that they are not exposed solely to the risk of this Sub-Fund.</p>
<b>Duration:</b>	The Sub-Fund is established for an unlimited duration.
<b>Listing:</b>	It is not intended at this stage to list the Shares of the Sub-Fund on any stock exchange.
<b>Dealing Day:</b>	Each Business Day, provided that it is also a bank business day in the principal market or stock exchange on which a material part of a sub-fund's investments for the time being are quoted. Otherwise, it shall be the Business Day which is also a bank business day in the principal market or stock exchange on which a material part of a sub-fund's investments for the time being are quoted and which follows the relevant Dealing Day.
<b>Cut-Off Time for a Dealing Day:</b>	2 pm Luxembourg time on the relevant Dealing Day.
<b>Valuation Day for a Dealing Day:</b>	The relevant Dealing Day.
<b>Publication Day of Net Asset Value for a Dealing Day:</b>	The Net Asset Value per Share of each Class will be updated following each determination of Net Asset Value for a given Valuation Day and will be available from 3 p.m. Luxembourg time on the Business Day immediately following the relevant Dealing Day.
<b>Payment date for Subscriptions:</b>	Subscription monies shall be paid and must be received by the Central Administration for value date within 2 Currency Settlement Days following the Relevant Dealing Day.
<b>Payment of redemption proceeds:</b>	The redemption proceeds shall be paid within three Business Days after the relevant Dealing Day.

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	Minimum Subscriptions and Minimum Holdings in USD*	Minimum Additional Subscription in USD*	Management Company Fee**	Investment Management Fee	Global Distribution Fee	The sum of the Management Fee, Investment Management Fee and the Global Distribution Fee shall not exceed:	Maximum FROC***
R1 Shares	100.-	100.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 1.23% p.a.	Max. 1.75% p.a.	Max. 0.44% p.a.
B Shares	N/A	N/A	N/A	N/A	N/A	N/A	Max. 0.25% p.a.
I1 Shares	1.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.48% p.a.	Max. 1.00% p.a.	Max. 0.25% p.a.
I2 Shares	10.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.38% p.a.	Max. 0.90% p.a.	Max. 0.25% p.a.
I3 Shares	20.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.28% p.a.	Max. 0.80% p.a.	Max. 0.25% p.a.
I4 Shares	50.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.18% p.a.	Max. 0.70% p.a.	Max. 0.25% p.a.
I5 Shares	100.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.08% p.a.	Max 0.60% p.a.	Max. 0.25% p.a.
M Shares	100.000.-	10.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.58% p.a.	Max 1.10% p.a.	Max. 0.35% p.a.

\* Investors should refer to the section of the Prospectus headed "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription, the Minimum Additional Subscription and Minimum Holding at their sole absolute discretion.

\*\* A minimum monthly Management Company Fee of EUR 2.000.- will be payable by the SICAV on behalf of the Sub-Fund in case the Management Company Fee as calculated on the basis of the Net Asset Value of the Sub-Fund on the last Valuation Day of the month, do not reach such level. This monthly fee will be spread on a pro rata basis over the Share Classes. The applicable rate of the Management Company Fee decreases gradually in accordance with the amount of assets under management in the Sub-Fund.

\*\*\* The aggregate amount of Operating Costs and Expenses (including *inter alia* depositary fees, central administration fees such as registrar and transfer agency fees, paying agency fees, domiciliary and corporate agent fees, *taxe d'abonnement*, Directors fees, fees and expenses of auditors, legal advisers as further described in this Prospectus) to be paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares shall equal the amount calculated on the basis of the FROC applied to the Net Asset Value. The Investment Manager will reimburse the SICAV on behalf of the Sub-Fund for the relevant Class of Shares any amount (as the case may be on a prorata basis) qualifying as an Operating Costs and Expenses which exceeds the amount calculated on the basis of the FROC as set from time to time by the Directors subject to a maximum FROC as set out for each Class herein. Conversely, the Investment Manager will be paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares the difference between the amount calculated on the basis of the FROC and the total amount of Operating Costs and Expenses which has actually been paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares if such amount is less than the amount calculated on the basis of the FROC.

**The Operating Costs and Expenses expressly exclude the Management Company Fee, the Investment Management Fee, the Global Distribution Fee, transaction costs and extraordinary expenses as further detailed under the heading "Other Fees and Expenses" of the Prospectus.**

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**Specific Risk Factors:**

**Investors' attention is particularly drawn to the section entitled "Risk Factors" as well as to the following main risk factors specific to an investment in the Sub-Fund.**

Due to its composition and/or the employed investment techniques, the Sub-Fund exhibits an elevated volatility, which means that the Net Asset Value of the Sub-Fund can be subject to elevated fluctuations on the downside as well as on the upside.

The Reference Currency of the Sub-Fund is USD. A part of the Sub-Fund's assets is invested in other currencies. The performance of the Sub-Fund can be subject to elevated volatility on the downside as well as on the upside due to currency fluctuations.

The assets of the Sub-Fund will be mainly invested in securities or book-securities. The risks associated with investment in equity (and equity-like) 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. Prices of equities fluctuate daily and can be influenced by many micro and macro factors such as political and economic news, corporate earnings reports and catastrophic events. The value of equities will go up and down and the value of a Sub-Fund investing in equities could incur significant losses.

The Sub-Fund may invest in initial public offerings ("IPOs"). There is a risk that the price of the newly floated share may incur greater volatility as a result of factors such as the absence of an existing public market, non-seasonal transactions, a limited number of securities that can be traded and a lack of information about the issuer.

The assets of the Sub-Fund may also be invested in emerging market assets – either predominantly or on an ancillary basis.

There are a number of risks associated with investing in securities from the emerging markets. This is due primarily to the economic and political development process that some of these countries are undergoing. Furthermore, these particular markets have low capitalisation and tend to be volatile and illiquid. Their past performance is also not an indication of their future performance. Other factors (exchange rate movements, stock exchange regulation, taxes, restrictions on foreign investment and capital repatriation, etc.) may also affect the marketability of securities and any resulting income. As a result, it cannot be ruled out that these factors may significantly affect the solvency of, or render entirely insolvent, some issuers.

Furthermore, these companies may be subject to a much lower level of government supervision and a less sophisticated level of legislation. Their accounting and audit practices may not always be consistent with the standards investors are accustomed to.

From an investment perspective, countries of the former Communist bloc, including Russia, are also regarded as emerging markets. Investments in these countries may involve specific political, economic and financial risks that have a significant impact on the liquidity of those investments. They are also exposed to additional risks that are difficult to calculate and would not arise with investments made in OECD countries or other emerging markets.

Investments in some emerging markets, particularly in a number of countries of the former Communist bloc, are also exposed to greater risk in terms of securities ownership and safekeeping. Ownership of companies is usually determined by an entry in the records of the particular company or its registrar (who is neither the Depositary's authorised representative nor has any liability towards it). Certificates representing company ownership frequently are not held by the Depositary, any of its local correspondents or in an effective central depository system. As a result, and in the absence of effective state regulation, the SICAV could lose its registration and ownership of shares in companies through fraud, negligence or even mere oversight. In addition, there is a greater custodial risk attached to debt certificates as it is standard practice in such countries for such securities to be held by local institutions which may or may not have adequate insurance coverage for loss, theft, destruction or insolvency whilst such assets are in their custody.

Potential investors should therefore be aware of all the risks associated with investing in a Sub-Fund that invests predominantly or on an ancillary basis in emerging markets. To the extent possible, every effort is made to minimise these risks by limiting the number of the Sub-Fund's investments in such markets and ensuring they are appropriately diversified.

**Any of the above risk factors may cause a significant fall of the Sub-Fund's Net Asset Value. Relevant risk factors cannot be listed exhaustively. Potential investors should ask for advice before subscribing to Shares of the Sub-Fund.**

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**SUPPLEMENT 2:  
VAN ECK – GLOBAL GOLD UCITS**

The information contained in this part of this Prospectus in relation to Van Eck – Global Gold UCITS should be read in conjunction with the full text of this Prospectus.

Any reference in this Supplement to "Sub-Fund" or "Feeder" shall be understood as a reference to "Van Eck – Global Gold UCITS".

**Name of Sub-Fund:** Van Eck – Global Gold UCITS

**Reference Currency:** USD

**Investment Objective and performance:** The investment objective of Van Eck – Global Gold UCITS is to achieve long term capital appreciation by investing in common stocks of gold-mining companies. The Sub-Fund may take current income into consideration when choosing investments.

The Feeder intends to realise its investment objective by investing substantially all of its assets into a no management fee bearing share class (the "**S Share Class**") of a master UCITS as defined in the UCI Law.

It is intended that the performance of the various Classes of Shares offered by the Feeder will be similar to that of the relevant class of shares of the Master, as defined below. However, the performance of both funds will not be equal, due in particular to costs and expenses incurred by the Feeder, hedging instruments (as applicable) and the Reference Currency of the Share Classes of the Feeder differing from that of the Master.

**Benchmark of the Master:** NYSE Arca Gold Miners Total Return Net Dividend Index (Bloomberg Ticker: GDMNTR Index)

**Particularities:** The Sub-Fund is a feeder UCITS (as defined in the UCI Law) of the sub-fund "LO Funds – World Gold Expertise" of Lombard Odier Funds which qualifies as a master UCITS (as defined in the UCI Law) and is also managed by the Investment Manager (the "**Master**").

In compliance with the relevant provisions of the UCI Law, the Feeder will at all times invest at least 85% of its assets in shares of the Master. The Feeder may hold up to 15% of its assets in ancillary liquid assets, including cash, cash equivalents and short term bank deposits in accordance with the provisions of Article 41 (2) of the UCI Law.

The residual assets of the Feeder will consist in ancillary liquid assets, as described above, as may be required from time to time for dealing liquidity purposes and payment of costs and expenses of the Feeder. The Feeder intends to minimise the level of ancillary liquid assets held for these purposes.

The Feeder will invest into the Master as of 8 November 2012, or, if no

subscription has been received by this date, at any subsequent Dealing Day on which a subscription will be received.

**Investment  
Policy of the  
Master:**

To this end, the Master mainly invests in equities issued by companies active worldwide in the gold mining, precious metals, and precious stones industries to benefit from the growth and scarcity of future gold reserves. The portfolio construction combines a bottom-up approach which searches for companies with organic growth, value, a potential to be acquired and a strong management; with a top-down overlay adjusting weights to match gold price outlook.

The Master's investments are diversified in international equities issued by companies active in the fields of exploration, extraction, processing, production and marketing in the sectors of gold mining (no less than two thirds of the Master's assets), other precious metals, and gemstones or in companies with a substantial part of their turnover or income related to such activities or in companies financing such activities.

The Master invests primarily in eligible transferable securities (including those represented by American Depository Receipts and Global Depository Receipts), (i) issued by companies worldwide active in the gold mining, precious metals and precious stones industries and/or (ii) replicating on a one-to-one basis the price of gold or other precious metals. It is intended to invest at least two-thirds ( $2/3^{\text{rds}}$ ) of the Master's portfolio in gold mining companies active in the fields of exploration, extraction, processing, production and marketing or in companies with a substantial part of their turnover or income related to such activities or in companies financing such activities.

The Master will not hold physical gold, precious metals or precious stones. The Master may be invested in small cap companies (as considered in their respective markets).

Direct investments (local shares) in Russia (other than investments traded on the Moscow Exchange MICEX-RTS or any successor thereof) and investments in markets which are not Regulated Markets or Other Regulated Markets shall in aggregate not exceed 10% of the Master's net assets.

If and to the extent that voting rights attached to shares of the Master will be exercised on behalf of the Feeder, a summary description of the strategies followed in the exercise of such rights, as well as the actions taken on the basis of those strategies, will be made available to investors upon their specific request addressed to the Management Company or the Investment Manager.

The Master may (i) in normal market conditions, hold on a temporary and ancillary basis up to 15% of its net assets in cash and cash equivalents, (ii) hold up to 10% of its net assets in UCIs and (iii) use financial derivative instruments and structured financial instruments for hedging purposes or for efficient portfolio management.



**Derivatives Instruments for hedging policy, and efficient portfolio management:** The Feeder may use financial derivative instruments and structured financial instruments for hedging purposes or for efficient portfolio management.

**Other use of Derivatives Instruments:** The Feeder will not resort to financial derivative instruments for investment purposes.

**Instruments and Techniques:** The Investment Manager may, in order to achieve the Sub-Fund's investment objective, use instruments and techniques for investment purposes and efficient portfolio management, within the limits set forth by the UCI Law and this Prospectus.

**Risk Management Process** In accordance with applicable laws and regulations, the Management Company uses a risk-management process for the Sub-Fund which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

The Sub-Fund's global exposure will at all times remain within the limits set forth by the UCI Law. As part of the risk management process, the Management Company uses the commitment approach to monitor and measure the global exposure of the Sub-Fund. This approach measures the global exposure related to positions on financial derivative instruments and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the Sub-Fund.

Under the standard commitment approach, each financial derivative instruments position is converted into the market value of an equivalent position in the underlying asset of that financial derivative instrument.

**Profile of Typical Investor in the Feeder:** Generally, the profile of the typical investor for whom the Feeder has been designed is an investor wishing to invest for the long term and who is prepared to accept fluctuations in the value of its investment and the risks associated with investing in the Master through the Feeder, as described in the section on "Risk Factors" of this Prospectus and in the prospectus of the Master.

An investment in the Feeder is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all investors. The Feeder is not intended to be a complete investment program and investors should consider their long-term investment goals and financial needs when making an investment decision about the Feeder. An investment in the Feeder is intended to be a long-term investment. The Feeder should not be used as trading vehicle.

Whilst using their best endeavours to attain the Feeder's objectives, the Directors cannot guarantee the extent to which the investment objectives will be achieved.

The Sub-Fund may be appropriate for retail and institutional investors, who:

- seek capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can bear volatility in the value of their Shares.

Investors should note that investment in the Feeder is not suitable for UCITS since the Feeder invests at least 85% of its assets in the Master.

The amount that is reasonable to invest in this Sub-Fund depends on each investor's individual situation. Investors are also strongly advised to diversify their investments so that they are not exposed solely to the risk of this Sub-Fund.

<b>Tax implication:</b>	The investment into the Master has no specific Luxembourg tax impact on the Sub-Fund.
<b>Duration:</b>	The Sub-Fund is established for an unlimited duration.
<b>Listing:</b>	It is not intended at this stage to list the Shares of the Sub-Fund on any stock exchange.
<b>Dealing Day:</b>	Each Business Day, provided that it is also a bank business day in the principal market or stock exchange on which a material part of the Master's investments for the time being are quoted. Otherwise, it shall be the Business Day which is also a bank business day in the principal market or stock exchange on which a material part of the Master's investments for the time being are quoted and which follows the relevant Dealing Day.
<b>Cut-Off Time for a Dealing Day:</b>	10 a.m. Luxembourg time, on the Dealing Day.
<b>Valuation Day for a Dealing Day:</b>	The relevant Dealing Day.
<b>Publication Day of Net Asset Value for a Dealing Day:</b>	The Net Asset Value per Share of each Class will be updated following each determination of Net Asset Value for a given Valuation Day and will be available from 3 p.m. Luxembourg time on the Business Day immediately following the relevant Dealing Day.
<b>Payment date for Subscriptions:</b>	Subscription monies shall be paid and must be received by the Central Administration for value date within 3 Currency Settlement Days following the Relevant Dealing Day.
<b>Payment of redemption proceeds:</b>	The redemption proceeds shall be paid within three Business Days after the relevant Dealing Day.

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	Minimum Subscriptions and Minimum Holdings in USD*	Minimum Additional Subscription in USD*	Management Company Fee**	Investment Management Fee	Global Distribution Fee	The sum of the Management Fee, Investment Management Fee and the Global Distribution Fee shall not exceed:	Maximum FROC (total operating costs of Van Eck – Global Gold UCITS (Feeder) and LO – World Gold Expertise (Master))***
R1 Shares	100.-	100.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 1.23% p.a.	Max. 1.75% p.a.	Max. 0.44% p.a.
B Shares	N/A	N/A	N/A	N/A	N/A	N/A	Max. 0.25% p.a.
I1 Shares	1.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.48% p.a.	Max. 1.00% p.a.	Max. 0.25% p.a.
I2 Shares	10.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.38% p.a.	Max. 0.90% p.a.	Max. 0.25% p.a.
I3 Shares	20.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.28% p.a.	Max. 0.80% p.a.	Max. 0.25% p.a.
I4 Shares	50.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.18% p.a.	Max. 0.70% p.a.	Max. 0.25% p.a.
I5 Share	100.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.08% p.a.	Max 0.60% p.a.	Max. 0.25% p.a.

M Shares	100.000.-	10.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.58% p.a.	Max 1.10% p.a.	Max. 0.35% p.a.
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\* Investors should refer to the section of the Prospectus headed "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription, the Minimum Additional Subscription and Minimum Holding at their sole absolute discretion.

\*\* A minimum monthly Management Company Fee of EUR 2.000.- will be payable by the SICAV on behalf of the Sub-Fund in case the Management Company Fee as calculated on the basis of the Net Asset Value of the Sub-Fund on the last Valuation Day of the month, do not reach such level. This monthly fee will be spread on a pro rata basis over the Share Classes. The applicable rate of the Management Company Fee decreases gradually in accordance with the amount of assets under management in the Sub-Fund.

\*\*\* The aggregate amount of Operating Costs and Expenses (including inter alia depositary fees, central administration fees such as registrar and transfer agency fees, paying agency fees, domiciliary and corporate agent fees, taxe d'abonnement, Directors fees, fees and expenses of auditors, legal advisers as further described in this Prospectus) to be paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares shall equal the amount calculated on the basis of the FROC applied to the Net Asset Value. The Investment Manager will reimburse the SICAV on behalf of the Sub-Fund for the relevant Class of Shares any amount (as the case may be on a prorata basis) qualifying as an Operating Costs and Expenses which exceeds the amount calculated on the basis of the FROC as set from time to time by the Directors subject to a maximum FROC as set out for each Class herein. Conversely, the Investment Manager will be paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares the difference between the amount calculated on the basis of the FROC and the total amount of Operating Costs and Expenses which has actually been paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares if such amount is less than the amount calculated on the basis of the FROC.

**The Operating Costs and Expenses expressly exclude the Management Company Fee, the Investment Management Fee, the Global Distribution Fee, transaction costs and extraordinary expenses as further detailed under the heading "Other Fees and Expenses" of the Prospectus.**

Shareholders may find the aggregate charges incurred at the Feeder and the Master levels herebelow under the section "Aggregate Charges".

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## Master

### General

The Master is the sub-fund of a UCITS incorporated in Luxembourg and authorised by the CSSF. As long as the Feeder continues to invest at least 85% of its assets in the Master, the Master will not itself become a feeder UCITS or hold shares or units of a feeder UCITS.

### Details on the Portfolio of the Master

The Master's practical investment universe of gold equities consists of about 400 stocks.

Based on a fundamental assessment of companies, which typically include production and costs forecasts, resources tracking, growth projects modelling, capital structure, balance sheet, and cash flow analysis, complemented with a qualitative research and on site meetings, the universe is narrowed and results to a concentrated portfolio made up of approximately 50 to 70 different stocks, including small, medium and large capitalisations.

### Interaction between the Master and the Feeder

Dealing Days for Shares of the Feeder will correspond to dealing days for shares of the Master. Similarly, the respective dealing Cut-Off Times for the Feeder and the Master are set so that valid subscription or redemption orders for Shares of the Feeder placed before the Cut-Off Time of the Feeder can then be reflected in the Feeder's investment into the Master. Accordingly, valuation points for the Feeder and the Master are also coordinated, as the Feeder's investment into the Master will be valued at the latest available net asset value per share as published by the Master.

A number of documents and agreements are in place to the effect of coordinating interactions between the Feeder and the Master, in accordance with the relevant provisions of the UCI Law.

- (A) The Master and the Feeder have entered into an agreement pursuant to which the Master will provide the Feeder with all documents and information necessary for the latter to meet the requirements laid down in the UCI Law. The Master and Feeder have further agreed on appropriate measures to coordinate the timing of their net asset value determination and publication in order to avoid market timing in their shares and preventing arbitrage opportunities. Further, appropriate measures to mitigate conflicts of interest that may arise between the Feeder and the Master, the basis of investment and divestment by the Feeder, standard dealing arrangements, events affecting dealing arrangements and standard arrangements for the audit report have been agreed on.
- (B) The Depositary and the depositary of the Master have entered into an agreement in order to share information regarding the Master. This agreement describes, especially, the documents and categories of information to be routinely shared between both depositaries or available upon request, the manner and timing of transmission, the coordination of involvement of each depositary in operational matters in view of their duties under their respective national law, the coordination of accounting year-end procedures, reportable breaches committed by the Master, the procedure for *ad hoc* requests for assistance, and particular contingent events reportable on *ad hoc* basis. Such agreement may be obtained upon request, free of charge, during usual business hours on any Business Day in Luxembourg at the registered office of the SICAV,

the Management Company or from the Central Administration.

Investors may obtain free of charge from the Investment Manager a hard copy of the following documents:

- The agreement entered into between the Master and the Feeder mentioned under point (A) above;
- The latest annual and semi-annual reports and accounts of the Master.

### Aggregate Charges

The Feeder is investing in shares of the S share class of the Master. At the level of the Master, the fees, charges and expenses associated with such investment are (i) an annual fixed rate of operating costs paid to the Master's management company at fixed annual rate, and (ii) other expenses of the Master, both as described in its prospectus. Details on the actual charges, the fixed annual rate of operational costs paid to the Master's management company and the expenses incurred at the level of the Master, including the ongoing charges for each share class of the Master, are available on [www.lombardodier.com](http://www.lombardodier.com).

The aggregated fees and the fixed annual rate of operating costs incurred at the Feeder level and at the Master level are as follows:

Name	R1	B	I1	I2	I3	I4	I5	M
Management company fees, investment management fees and distribution fees:	Max. 1,75% p.a.	N/A*	Max. 1,00% p.a.	Max. 0,90% p.a.	Max. 0,80% p.a.	Max. 0,70% p.a.	Max. 0,60% p.a.	Max. 1,10% p.a.
Aggregate Fixed Rates of Operating Costs	Max 0,44% p.a.	Max. 0,25 % p.a.	Max 0,25% p.a.	Max 0,25% p.a.	Max 0,25% p.a.	Max 0,25% p.a.	Max. 0,25% p.a.	Max 0,35% p.a.

\* May only be subscribed for by institutional investors that have entered into a separate agreement and have received approval from the Board of Directors to invest in this share class

The KIID(s) issued for the Classes of Shares also contain additional information on ongoing charges incurred by the Feeder (aggregated with the charges incurred at the level of the Master).

### Profile of typical investor

The Master may be appropriate for retail and institutional investors, who:

- seek capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can bear volatility in the value of their shares.

An investment in the Master is not a deposit in a bank or other insured depositary institution. Investment may not be appropriate for all investors. The Master is not intended to be a complete investment program and investors should consider their long-term investment goals and financial needs when making an investment decision about the Master. An investment in the Master is intended to be a long-term investment. The Master should not be used as trading vehicle.

**Specific Risk Factors:**

**As the Feeder invests into the Master, the Feeder will also be subject to specific risks associated with its investment into the Master as well as specific risks incurred at the level of the Master and its investments. If the Master invests in a particular asset category, investment strategy or financial or economic market, the Feeder will then be exposed to fluctuations in value of such investments resulting from the performance of that particular asset category, investment strategy or financial or economic market.**

**Therefore, before investing in Shares, prospective investors should carefully read the description of the risk factors relating to an investment in the Master, as disclosed in the prospectus of the Master which is available free of charge from the Investment Manager as well as on the website of the management company of the Master at [www.lombardodier.com](http://www.lombardodier.com).**

**Investors' attention is particularly drawn to the section entitled "Risk Factors" as well as to the following main risk factors associated with the Feeder's investment in the Master.**

**Price Fluctuations**

Gold prices may at times fluctuate considerably, accentuating the volatility of gold companies and therefore the net asset value of the Master may significantly decrease or increase.

**Equity Risks**

The risks associated with investment in equity (and equity-like) 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. Prices of equities fluctuate daily and can be influenced by many micro and macro factors such as political and economic news, corporate earnings reports and catastrophic events. The value of equities will go up and down and the Master investing in equities could incur significant losses.

The Master may invest in initial public offerings ("IPOs"). There is a risk that the price of the newly floated share may incur greater volatility as a result of factors such as the absence of an existing public market, non-seasonal transactions, a limited number of securities that can be traded and a lack of information about the issuer.

**Small and Medium-Sized Capitalisation Risk**

Stocks of small-to medium-sized capitalisation companies often traded on OTC markets may be less liquid than those listed on the major securities exchanges. Consequently, securities of small and even medium-sized cap companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices. The combination of price volatility and the limited liquidity of those markets may have an adverse effect on the investment performance of the sub-funds. Further the risk of bankruptcy or insolvency of many smaller companies is higher than that of larger, "blue chips", companies.

**Commodity Risk**

Though the Company is prohibited to make investments in, or enter into transactions involving commodities, commodities contracts, or certificates representing commodities, they may seek to be exposed to commodities via units of UCI, equity

securities or index based derivative instruments. Prices of commodities are influenced by, among other things, various macro economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments and other unforeseeable events. The prices of commodities may be highly volatile.

#### Emerging Market Risk

General - In emerging markets, to which the Master may be exposed, the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their counterparties. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable. Such risks may include (i) increased risk of nationalisation, expropriation of assets, forced mergers of companies, creation of government monopolies, confiscatory taxation or price controls; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity, low trading volumes and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for any major currency and/or restriction on the buying or selling by foreign investors; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in accounting, auditing and financial reporting standards, methods, practices and disclosures which may result in the unavailability or incompleteness or tardiness of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

Exchange Rate Fluctuations Risk - In accordance with the investment objectives of the Master, the assets may be invested primarily in securities of companies in developing countries and substantially all income will be received by the Master in currencies of such countries. A number of the currencies of developing countries have already experienced and could experience significant declines against the major currencies in recent years and devaluation may occur suddenly. Where possible, hedging strategies will be implemented but they cannot totally eliminate unfavourable currency fluctuations.

Custody Risk - The Master may also have to utilise local service providers for the safekeeping of the assets and for the execution of securities transactions. Although the Master intends to use only the best-qualified service providers in each of the markets concerned, the choice of providers in some emerging countries may be very limited. These providers may not offer guarantees comparable to those given by firms operating in developed countries. Accordingly, the quality of the services that the Master may obtain with regard to the execution of transactions on securities and their custody may be less reliable.

Settlement Risk - Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be risks that settlement may be delayed and that cash or securities of the Master may be in jeopardy because of failures of or defects in the systems. In particular, market practice may require that payment be made prior to receipt of the security which is being purchased or that



delivery of a security must be made before payment is received. The Master will seek, where possible, to use counterparties whose financial status is such that the risk of default is reduced, but the risk of losses resulting from default cannot be totally eliminated.

**Regulatory Risk** - Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result, the Master may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of the Master are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Master and its operations. In addition, the income and gains of the Master may be subject to withholding taxes imposed by foreign governments for which unitholders may not receive a full foreign tax credit.

**Investment and Repatriation Restrictions Risk** - Some countries prohibit or impose substantial restrictions on investments by foreign entities. Certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some developing countries. It may have an adverse impact on the operations of a Master. While the Master will invest only in markets where these restrictions are considered acceptable, new or additional restrictions might be imposed subsequent to the initial investment and thus may restrict the Master's ability to manage effectively such assets and could ultimately result in a substantial loss.

**Liquidity Risk** - As the Master may invest a high proportion of its assets in emerging-market securities which tend to be less liquid than those of developed markets, investors should consider a shareholding in the Master and the Feeder to be a long-term investment and be aware that it may not always be possible to make redemption payments within the usual time frame.

#### **Russian Registration Risk**

Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the custodian of the Master). No certificates representing ownership of Russian companies will be held by the custodian of the Master or any sub-custodian or in an effective central depository system. As a result of this system and the lack of state regulation and enforcement, the Master could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight.

#### **Regional or Sectorial Concentration Risk**

**Concentration risk on certain countries/regions** - If the Master restricts itself to

investing in securities of issuers located in a particular country or region, such concentration will expose the Master to the risk of adverse social, political or economic events which may occur in that country or region. The risk increases if the country or region in question is an emerging market.

Concentration risk on certain sectors - If the Master restricts itself to invest in a certain sector, such as technology or healthcare, it may be sensitive to factors affecting technology-related industries and to greater risk and market fluctuation than investment in a broader range of portfolio securities covering different economic sectors. Technology, technology-related, healthcare industries may also be subject to greater government regulation than many other industries. Accordingly, changes in government policies and the need for regulatory approvals may have a materially adverse affect on these industries. Additionally, these companies may be subject to risk of developing technologies, competitive pressures and other factors as well as a relatively high risk of obsolescence caused by scientific and technological advances and are depended upon consumer and business acceptance as new technologies evolve. Many companies in the technology sector are smaller companies and are therefore also subject to the risks attendant on investing in such companies set out above. The development of these sector-specific investments may differ from the general stock exchange trend.

**Any of the above risk factors may cause a significant fall of the Sub-Fund's Net Asset Value. Relevant risk factors cannot be listed exhaustively. Potential investors should ask for advice before subscribing to Shares of the Sub-Fund.**

**SUPPLEMENT 3:  
VAN ECK – UNCONSTRAINED EMERGING MARKETS BOND UCITS**

The information contained in this part of this Prospectus in relation to Van Eck – Unconstrained Emerging Markets Bond UCITS should be read in conjunction with the full text of this Prospectus.

Any reference in this Supplement to "Sub-Fund" shall be understood as a reference to "Van Eck – Unconstrained Emerging Markets Bond UCITS".

**Name of Sub-Fund:** Van Eck – Unconstrained Emerging Markets Bond UCITS

**Reference Currency:** USD

**Investment Objective and performance:** The investment objective of Van Eck – Unconstrained Emerging Markets Bond UCITS is to seek total return, consisting of income and capital appreciation.

**Benchmark** 50% JPMorgan Emerging Market Bond Index Global Diversified Index / 50% JPMorgan Government Bond Index – Emerging Markets Global Diversified Index.

**Investment Policy:** The investment policy of the Sub-Fund is to seek total return, consisting of income and capital appreciation.

Under normal conditions, the Sub-Fund will invest principally in emerging market debt securities. An instrument will qualify as an emerging market debt security if it is either (i) issued by an emerging market government, quasigovernment or corporate entity (regardless of the currency in which it is denominated) or (ii) denominated in the currency of an emerging market country (regardless of the location of the issuer). The Sub-Fund may also invest on an ancillary basis (i) in non-emerging market debt securities and (ii) emerging market and developed market currencies (as further set out below). There is no limit on the amount the Sub-Fund may invest in one country or in securities denominated in one currency. The Sub-Fund may also invest in debt securities rated below investment grade ("**junk bonds**").

The Sub-Fund expects to invest in debt issued in emerging market currencies and in developed market currencies by governments and government owned, controlled, or related entities (and their agencies and subdivisions), and by corporations. The Sub-Fund may invest in american depositary receipts, corporate bonds, debentures, notes including P-Notes or credit-linked notes qualifying as Transferable Securities or Money Market Instruments, commercial paper, time deposits, and certificates of deposit, as well as debt obligations qualifying as Transferable Securities, which may have a call on a common stock or commodity by means of a conversion privilege or attached warrants.

The Sub-Fund may also invest in emerging market or developed market currencies. The Sub-Fund may use derivative instruments, which underlying shall consist of eligible financial indices, interest rates, foreign exchange rates or currencies, denominated in any currency to enhance return, hedge (or protect) the value of its assets against adverse movements in commodity markets,

currency exchange rates, interest rates and movements in the securities markets, manage certain investment risks and/or as a substitute for the purchase or sale of securities. The Sub-Fund may also use derivative instruments to implement "cross-hedging" strategies, which involve the use of one currency to hedge against the decline in the value of another currency, or to hedge the value of a currency that is embedded in the value of another currency (for example, the value of the Euro that may be embedded in the Polish Zloty). The Sub-Fund expects to use forward currency contracts, futures on securities, on indices (including indices on commodities), and/or on currencies, swaps and other investments, options, and interest rate swaps, cross-currency swaps, total return swaps (subject to the prior provision of required information as noted below) and credit default swaps. The Sub-Fund may also invest in credit-linked notes. The notional value of a cash-settled forward currency contract or other derivative instrument on an emerging market currency (or a currency that is embedded in an emerging market currency) or security will be treated as an emerging market debt security.

The Sub-Fund may enter into derivative instruments denominated in any currency, such as, but not limited to, currency forwards or futures, for investment purposes or to gain or hedge exposure certain currencies or targeted securities and may also enter into swap contracts. The notional value of a cash-settled forward currency contract or similar derivative instrument on an emerging market currency will be treated as an emerging market debt security for purposes of complying with the Sub-Fund's policy of investing its net assets principally in emerging market debt securities. The Sub-Fund may, but is not required to, hedge its exposure to non-U.S. currencies. The Sub-Fund may also invest in credit-linked notes.

Should the Sub-Fund decide to invest in total return swaps or other financial derivative instruments with similar characteristics, information requirements laid down in Appendix 1 (see under Derivative Instruments) shall be first provided in this Supplement.

The Investment Manager has broad discretion to identify countries that it considers to qualify as emerging markets.

The Sub-Fund may invest up to 20% of its net assets in securities issued by other investment companies (each, an "**Underlying Fund**"), including exchange-traded funds ("**ETFs**"). The Sub-Fund may especially invest in ETFs to participate in, or gain rapid exposure to, certain market sectors, or when direct investments in certain countries are not permitted. The Sub-Fund may also invest on an ancillary basis in money market funds.

This Sub-Fund may not invest more than 20% of its net assets in asset-backed securities or mortgage-backed securities.

The Sub-Fund may take temporary defensive positions in anticipation of or in an attempt to respond to adverse market, economic, political or other conditions and as result, hold mainly and on a temporary basis, liquid assets with due regard to the principle of risk spreading. Such liquid assets may be cash deposits or money market instruments.

The Sub-Fund may lend its securities as permitted under the UCI Law, including by participating in securities lending programs managed by broker-dealers or other institutions. Securities lending allows the Sub-Fund to retain ownership of the securities loaned and, at the same time, earn additional income. The

borrowings must be collateralized in full with cash, U.S. government securities or high-quality letters of credit. Should the Sub-Fund effectively enter into securities lending transactions, information on the fees allocation and the counterparties involved shall be first described in this Supplement.

**Derivatives instruments for hedging policy and efficient portfolio management:**

Within the limits of the UCI Law, the Sub-Fund may hedge any currency risk by conducting future and forward transactions as well as currency swaps, and by buying and selling put or call options on currencies and currency futures contracts and use derivatives financial instruments for efficient portfolio management.

**Instruments and Techniques:**

The Investment Manager may, in order to achieve the Sub-Fund's investment objective, use instruments and techniques for investment purposes and efficient portfolio management, within the limits set forth by the UCI Law and this Prospectus.

**Risk Management Process:**

In accordance with the UCI law, applicable regulations and circulars, the Management Company uses a risk-management process for the Sub-Fund which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

The Sub-Fund's global exposure will at all times remain within the limits set forth by applicable laws and regulations. As part of the risk management process, the Management Company uses the commitment approach to monitor and measure the global exposure of the Sub-Fund. This approach measures the global exposure related to positions on financial derivative instruments and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the Sub-Fund.

Under the standard commitment approach, each financial derivative instruments position is converted into the market value of an equivalent position in the underlying asset of that financial derivative instrument.

**Profile of Typical Investor:**

This Sub-Fund is aimed specifically at private and institutional investors who seek a long-term investment in securities and who are aware of the risks of such investment. The investor might be exposed to significant fluctuations on the markets in which the Sub-Fund invests.

The amount that is reasonable to invest in this Sub-Fund depends on each investor's individual situation. Investors are also strongly advised to diversify their investments so that they are not exposed solely to the risk of this Sub-Fund.

**Duration:**

The Sub-Fund is established for an unlimited duration.

**Listing:**

It is not intended at this stage to list the Shares of the Sub-Fund on any stock exchange.

**Dealing Day:**

Each Business Day, provided that it is also a bank business day in the principal market or stock exchange on which a material part of a sub-fund's investments for the time being are quoted. Otherwise, it shall be the Business Day which is

also a bank business day in the principal market or stock exchange on which a material part of a sub-fund's investments for the time being are quoted and which follows the relevant Dealing Day.

**Cut-Off Time for a Dealing Day:** 2 pm Luxembourg time on the relevant Dealing Day.

**Valuation Day for a Dealing Day:** The relevant Dealing Day.

**Publication Day of Net Asset Value for a Dealing Day:** The Net Asset Value per Share of each Class will be updated following each determination of Net Asset Value for a given Valuation Day and will be available from 3 p.m. Luxembourg time on the Business Day immediately following the relevant Dealing Day.

Notwithstanding the foregoing, the Net Asset Value per Share of the “snap” Classes will be available after the Cut-Off Time on the relevant Dealing Day.

**Payment date for Subscriptions** Subscription monies shall be paid and must be received by the Central Administration for value date within 2 Currency Settlement Days following the Relevant Dealing Day.

**Payment of redemption proceeds:** The redemption proceeds shall be paid within three Business Days after the relevant Dealing Day.

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	Minimum Subscriptions and Minimum Holdings in USD*	Minimum Additional Subscription in USD*	Management Company Fee**	Investment Management Fee	Global Distribution Fee	The sum of the Management Fee, Investment Management Fee and the Global Distribution Fee shall not exceed:	Maximum FROC***
R1 Shares	100.-	100.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 1.03% p.a.	Max. 1.55% p.a.	Max. 0.50% p.a.
B Shares	N/A	N/A	N/A	N/A	N/A	N/A	Max. 0.30% p.a.
I1 Shares	1.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.28% p.a.	Max. 0.80% p.a.	Max. 0.30% p.a.
I2 Shares	20.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.18% p.a.	Max. 0.70% p.a.	Max. 0.30% p.a.
I3 Shares	50.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.08% p.a.	Max. 0.60% p.a.	Max. 0.30% p.a.
I4 Shares	100.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	None	Max. 0.50% p.a.	Max. 0.30% p.a.
M Shares	100.000.-	10.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.38% p.a.	Max 0.90% p.a.	Max. 0.40% p.a.

\* Investors should refer to the section of the Prospectus headed "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription, the Minimum Additional Subscription and Minimum Holding at their sole absolute discretion.

\*\* A minimum monthly Management Company Fee of EUR 2.000.- will be payable by the SICAV on behalf of the Sub-Fund in case the Management Company Fee as calculated on the basis of the Net Asset Value of the Sub-Fund on the last Valuation Day of the month, do not reach such level. This monthly fee will be spread on a pro rata basis over the Share Classes. The applicable rate of the Management Company Fee decreases gradually in accordance with the amount of assets under management in the Sub-Fund.

\*\*\* The aggregate amount of Operating Costs and Expenses (including *inter alia* depositary fees, central administration fees such as registrar and transfer agency fees, paying agency fees, domiciliary and corporate agent fees, *taxe d'abonnement*, Directors fees, fees and expenses of auditors, legal advisers as further described in this Prospectus) to be paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares shall equal the amount calculated on the basis of the FROC applied to the Net Asset Value. The Investment Manager will reimburse the SICAV on behalf of the Sub-Fund for the relevant Class of Shares any amount (as the case may be on a prorata basis) qualifying as an Operating Costs and Expenses which exceeds the amount calculated on the basis of the FROC as set from time to time by the Directors subject to a maximum FROC as set out for each Class herein. Conversely, the Investment Manager will be paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares the difference between the amount calculated on the basis of the FROC and the total amount of Operating Costs and Expenses which has actually been paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares if such amount is less than the amount calculated on the basis of the FROC.

**The Operating Costs and Expenses expressly exclude the Management Company Fee, the Investment Management Fee, the Global Distribution Fee, transaction costs and extraordinary expenses as further detailed under the heading "Other Fees and Expenses" of the Prospectus.**

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**Specific Risk Factors:**

**Investors' attention is particularly drawn to the section entitled "Risk Factors" as well as to the following main risk factors specific to an investment in the Sub-Fund.**

Due to its composition and/or the employed investment techniques, the Sub-Fund may exhibit an elevated volatility, which means that the Net Asset Value of the Sub-Fund can be subject to elevated fluctuations on the downside as well as on the upside.

The Reference Currency of the Sub-Fund is USD. A part of the Sub-Fund's assets is invested in other currencies. The performance of the Sub-Fund can be subject to elevated volatility on the downside as well as on the upside due to currency fluctuations.

**Below Investment Grade Securities Risk**

The Sub-Fund may invest in below investment grade securities (sometimes referred to as "**junk bonds**"), which securities are more speculative than higher-rated securities. These securities have a much greater risk of default and may be more volatile than higher-rated securities of similar maturity. These securities may be less liquid and more difficult to value than higher-rated securities.

**Credit Risk**

Credit risk is the risk that the issuer or guarantor of a debt security or the counterparty to an over-the-counter contract (including many derivatives) will be unable or unwilling to make timely principal, interest or settlement payments or otherwise honor its obligations. The Sub-Fund will invest in debt securities that are subject to varying degrees of risk that the issuers of the securities will have their credit ratings downgraded or will default, potentially reducing the value of the securities.

**Currency Management Strategies**

Currency management strategies, including the use of forward currency contracts and cross-hedging, may substantially change the Sub-Fund's exposure to currency exchange rates and could result in losses to the Sub-Fund if currencies do not perform as the Investment Manager expects. In addition, currency management strategies, to the extent that such strategies reduce the Sub-Fund's exposure to currency risks, may also reduce the Sub-Fund's ability to benefit from favourable changes in currency exchange rates. There is no assurance that the Investment Manager's use of currency management strategies will benefit the Sub-Fund or that they will be, or can be, used at appropriate times. Furthermore, there may not be a perfect correlation between the amount of exposure to a particular currency and the amount of securities in the portfolio denominated in that currency or exposed to that currency. Currency markets are generally less regulated than securities markets. Derivatives transactions, especially forward currency contracts, currency related futures contracts and swap agreements, may involve significant amounts of currency management strategies risk. The Sub-Fund, which may utilize these types of instruments to a significant extent, will be especially subject to currency management strategies risk.

## **Derivatives**

The use of derivatives, such as currency forwards, futures contracts, options and swaps, presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying currency, security, asset, index or reference rate, which may be magnified by certain features of the derivatives. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Sub-Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility, among other consequences. The use of derivatives may also increase the amount of taxes payable by shareholders. Other risks arise from the Sub-Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Sub-Fund's derivative positions at times when the Sub-Fund might wish to terminate or sell such positions. Over the counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to counterparty risk. The use of derivatives also involves the risk of mispricing or improper valuation and that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, index or reference rate.

## **Foreign (Non-U.S.) Currency**

Investments in global markets or securities that are denominated in non-U.S. currencies give rise to non-U.S. currency exposure. The US Dollar value of these investments will vary depending on changes in exchange rates and the performance of the underlying assets. The Sub-Fund's shares are priced (purchased and redeemed) in US Dollars and the distributions paid by the Sub-Fund are paid in US Dollars. However, a substantial portion of the Sub-Fund's assets may be denominated in foreign (non-US Dollar) currencies and income received by the Sub-Fund from many of its investments may be paid in foreign currencies. Foreign currencies may decline in value relative to the US Dollar and adversely affect the value of the Sub-Fund's investments in foreign currencies, securities denominated in foreign currencies, derivatives that provide exposure to foreign currencies, and the Sub-Fund's income available for distribution. The value of foreign currencies, securities denominated in foreign currencies or derivatives that provide exposure to foreign currencies may be adversely affected by currency exchange rates, currency exchange control regulations, foreign withholding taxes, restrictions or prohibitions on the repatriation of foreign currencies, changes in supply and demand in the currency exchange markets, actual or perceived changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks, or supranational agencies such as the International Monetary Fund, and currency controls or other political and economic developments in the U.S. or abroad. The local emerging market currencies in which the Sub-Fund may be invested from time to time may experience substantially greater volatility against the US Dollar than the major convertible currencies of developed countries.

The Investment Manager may, but is not required, to attempt to mitigate (or "**hedge**") the risks associated with currency exposure or fluctuations by entering into forward, futures, options, swap or other contracts to purchase or sell the currency of denomination of any investment held by the Sub-Fund or

which poses a risk to the Sub-Fund and any other currencies held by the Sub-Fund. Such contracts may not be available on favourable terms or in all of the currencies in which the Sub-Fund may invest from time to time.

In the case of hedging positions, currency risk includes the risk that the currency to which the Sub-Fund has obtained exposure declines in value relative to the foreign currency being hedged. In such event, the Sub-Fund may realize a loss on the hedging instrument at the same time the Sub-Fund is realizing a loss on the currency being hedged. There is no assurance that any such hedging strategies will be available or will be used by the Sub-Fund or, if used, that they will be successful.

The Sub-Fund may use derivatives to acquire positions in currencies whose value the Investment Manager expects to correlate with the value of currencies the Sub-Fund owns, currencies the Investment Manager wants the Sub-Fund to own, or currencies the Sub-Fund is exposed to indirectly or directly through its investments. If the exchange rates of the currencies involved do not move as expected, the Sub-Fund could lose money on its holdings of a particular currency and also lose money on the derivative. The Sub-Fund may also take overweighted or underweighted currency positions and/or alter the currency exposure of the securities in which it has invested. As a result, its currency exposure may differ (in some cases significantly) from the currency exposure of its security investments.

### **Market Risk**

Market risk refers to the risk that the market prices of securities that the Sub-Fund holds will rise or fall, sometimes rapidly or unpredictably. Security prices may decline over short or even extended periods not only because of company-specific developments but also due to an economic downturn, a change in interest or currency rates or a change in investor sentiment. In general, equity securities tend to have greater price volatility than debt securities.

### **Emerging Market Risk**

General - In emerging markets, to which the Sub-Fund will be exposed, the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their counterparties. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable. Such risks may include (i) increased risk of nationalisation, expropriation of assets, forced mergers of companies, creation of government monopolies, confiscatory taxation or price controls; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity, low trading volumes and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for any major currency and/or restriction on the buying or selling by foreign investors; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in accounting, auditing and financial reporting standards, methods, practices and disclosures which may result in the unavailability or incompleteness or

tardiness of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

There are a number of risks associated with investing in securities from the emerging markets. This is due primarily to the economic and political development process that some of these countries are undergoing. Furthermore, these particular markets have low capitalisation and tend to be volatile and illiquid. Their past performance is also not an indication of their future performance. Other factors (exchange rate movements, stock exchange regulation, taxes, restrictions on foreign investment and capital repatriation, etc.) may also affect the marketability of securities and any resulting income. As a result, it cannot be ruled out that these factors may significantly affect the solvency of, or render entirely insolvent, some issuers.

Furthermore, these companies may be subject to a much lower level of government supervision and a less sophisticated level of legislation. Their accounting and audit practices may not always be consistent with the standards investors are accustomed to.

From an investment perspective, countries of the former Communist bloc, including Russia, are also regarded as emerging markets. Investments in these countries may involve specific political, economic and financial risks that have a significant impact on the liquidity of those investments. They are also exposed to additional risks that are difficult to calculate and would not arise with investments made in OECD countries or other emerging markets.

Investments in some emerging markets, particularly in a number of countries of the former Communist bloc, are also exposed to greater risk in terms of securities ownership and safekeeping. Ownership of companies is usually determined by an entry in the records of the particular company or its registrar (who is neither the Depositary's authorised representative nor has any liability towards it). Certificates representing company ownership frequently are not held by the Depositary, any of its local correspondents or in an effective central depository system. As a result, and in the absence of effective state regulation, the SICAV could lose its registration and ownership of shares in companies through fraud, negligence or even mere oversight. In addition, there is a greater custodial risk attached to debt certificates as it is standard practice in such countries for such securities to be held by local institutions which may or may not have adequate insurance coverage for loss, theft, destruction or insolvency whilst such assets are in their custody.

Potential investors should therefore be aware of all the risks associated with investing in a Sub-Fund that invests predominantly or on an ancillary basis in emerging markets.

### **Investments in Other Investment Companies**

The Sub-Fund's investment in another investment company may subject the Sub-Fund indirectly to the underlying risks of the investment company. The Sub-Fund will also bear its share of the underlying investment company's fees and expenses, which are in addition to the Sub-Fund's own fees and expenses. Shares of closed-end funds and ETFs may trade at prices that

reflect a premium above or a discount below the investment company's net asset value, which may be substantial in the case of closed-end funds. If investment company securities are purchased at a premium to net asset value, the premium may not exist when those securities are sold and the Sub-Fund could incur a loss.

### **Hedging Risk**

Losses or gains generated by a derivative or other instrument or practice used by the Sub-Fund for hedging purposes (including for hedging interest rate risk and credit risk) should be substantially offset by gains or losses on the hedged investment. However, although hedging can reduce or eliminate losses, it can also reduce or eliminate gains. In addition, the Sub-Fund is exposed to the risk that changes in the value of a hedging instrument will not match those of the investment being hedged. The Investment Manager may not be able to predict correctly the direction of securities prices, interest rates and other economic factors, which could cause the Sub-Fund's hedges to lose value. There can be no assurance that the Sub-Fund's hedging transactions will be effective.

### **Exchange Rate Fluctuations Risk**

The assets of the Sub-Fund may be invested primarily in securities of companies in developing countries and substantially all income will be received by the Master in currencies of such countries. A number of the currencies of developing countries have already experienced and could experience significant declines against the major currencies in recent years and devaluation may occur suddenly. Where possible, hedging strategies will be implemented but they cannot totally eliminate unfavourable currency fluctuations.

### **Temporary Defensive Positions**

The Sub-Fund may take temporary defensive positions in anticipation of or in an attempt to respond to adverse market, economic, political or other conditions. Such a position could have the effect of reducing any benefit the Sub-Fund may receive from a market increase.

### **Securities Lending**

The Sub-Fund may lend its securities as permitted under the UCI Law, including by participating in securities lending programs managed by broker-dealers or other institutions. Securities lending allows the Sub-Fund to retain ownership of the securities loaned and, at the same time, earn additional income. The borrowings must be collateralized in full with cash, U.S. government securities or high-quality letters of credit. The Sub-Fund could experience delays and costs in recovering the securities loaned or in gaining access to the securities lending collateral. If the Sub-Fund is not able to recover the securities loaned, the Sub-Fund may sell the collateral and purchase a replacement investment in the market. The value of the collateral could decrease below the value of the replacement investment by the time the replacement investment is purchased. Cash received as collateral and which is invested is subject to market appreciation and depreciation.

**Any of the above risk factors may cause a significant fall of the Sub-Fund's Net Asset Value. Relevant risk factors cannot be listed**

**exhaustively. Potential investors should ask for advice before subscribing to Shares of the Sub-Fund.**

**SUPPLEMENT 4:  
VAN ECK – EMERGING MARKETS EQUITY UCITS**

The information contained in this part of this Prospectus in relation to Van Eck –Emerging Markets Equity UCITS should be read in conjunction with the full text of this Prospectus.

Any reference in this Supplement to "Sub-Fund" shall be understood as a reference to "Van Eck – Emerging Markets Equity UCITS ".

**Name of Sub-Fund:** Van Eck – Emerging Markets Equity UCITS

**Reference Currency:** USD

**Investment Objective and performance:** The investment objective of Van Eck – Emerging Markets Equity UCITS is to seek long-term capital appreciation by investing primarily in equity securities in emerging markets around the world.

**Benchmark** MSCI Emerging Markets Index

**Investment Policy:** The investment policy of the Sub-Fund is to seek long-term capital appreciation by investing primarily in equity securities in emerging markets around the world.

Under normal conditions, the Sub-Fund invests principally in securities of companies that are organized in, maintain at the main part of their assets in, or derive the main part of their revenues from, emerging market countries. The Investment Manager has broad discretion to identify countries that it considers to qualify as emerging markets.

The Sub-Fund may invest up to 5% of its net assets in China-A Shares through the Shanghai Hong Kong Stock Connect.

The Investment Manager selects emerging market countries that the Sub-Fund will invest in based on the Investment Manager's evaluation of economic fundamentals, legal structure, political developments and other specific factors the Investment Manager believes to be relevant.

Utilizing qualitative and quantitative measures, the Investment Manager seeks to invest in reasonably-priced companies that have strong structural growth potential. The portfolio manager seeks attractive investment opportunities in all areas of emerging markets, and utilizes a flexible investment approach across all market capitalizations.

The investments of the Sub-Funds may include, but not be limited to, common stocks, preferred stocks (either convertible or non-convertible), rights, warrants, direct equity interests in trusts, partnerships, joint ventures and special classes of shares available only to foreigners in markets that restrict ownership of certain shares or classes to their own nationals or residents.

The Sub-Fund may also invest in emerging market or developed market currencies.

The Sub-Fund may use derivative instruments such as but not limited to swap

agreements (including total return swaps), options, warrants, futures contracts, currency forwards and structured notes for investment purposes and to hedge (or protect) the value of its assets.

Should the Sub-Fund decide to invest in total return swaps or other financial derivative instruments with similar characteristics, information requirements laid down in Appendix 1 (see under Derivative Instruments) shall be first provided in this Supplement.

The Sub-Fund's may invest in securities issues denominated in currencies of emerging countries, investment companies (like country funds) that invest in emerging countries, and American Depositary Receipts, and similar types of investments, representing emerging markets securities.

The Sub-Fund may invest up to 10% of its net assets in securities issued by other investment companies, including money market funds and exchange-traded funds ("ETFs"). The Sub-Fund may invest in ETFs to participate in, or gain rapid exposure to, certain market sectors, or when direct investments in certain countries are not permitted.

The Sub-Fund may take temporary defensive positions in anticipation of or in an attempt to respond to adverse market, economic, political or other conditions and as result, hold mainly and on a temporary basis, liquid assets with due regard to the principle of risk spreading. Such liquid assets may be cash deposits or money market instruments.

The Sub-Fund may lend its securities as permitted under the UCI Law, including by participating in securities lending programs managed by broker-dealers or other institutions. Securities lending allows the Sub-Fund to retain ownership of the securities loaned and, at the same time, earn additional income. The borrowings must be collateralized in full with cash or in high-quality government bonds (mainly U.S. government securities). Should the Sub-Fund effectively enter into securities lending transactions, information on the fees allocation and the counterparties involved shall be first described in this Supplement.

**Derivatives instruments for hedging policy and efficient portfolio management:**

Within the limits of the UCI Law, the Sub-Fund may hedge any currency risk by conducting future and forward transactions as well as currency swaps, and by buying and selling put or call options on currencies and currency futures contracts and use derivatives financial instruments for efficient portfolio management.

**Instruments and Techniques:**

The Investment Manager may, in order to achieve the Sub-Fund's investment objective, use instruments and techniques for investment purposes and efficient portfolio management, within the limits set forth by the UCI Law and this Prospectus.

**Risk Management Process:**

In accordance with the UCI law, applicable regulations and circulars, the Management Company uses a risk-management process for the Sub-Fund which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

The Sub-Fund's global exposure will at all times remain within the limits set forth by applicable laws and regulations. As part of the risk management process, the



Management Company uses the commitment approach to monitor and measure the global exposure of the Sub-Fund. This approach measures the global exposure related to positions on financial derivative instruments and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the Sub-Fund.

Under the standard commitment approach, each financial derivative instruments position is converted into the market value of an equivalent position in the underlying asset of that financial derivative instrument.

<b>Profile of Typical Investor:</b>	<p>This Sub-Fund is aimed specifically at private and institutional investors who seek a long-term investment in equity securities and who are aware of the risks of such investment. The investor might be exposed to significant fluctuations on the markets in which the Sub-Fund invests.</p> <p>The amount that is reasonable to invest in this Sub-Fund depends on each investor's individual situation. Investors are also strongly advised to diversify their investments so that they are not exposed solely to the risk of this Sub-Fund.</p>
<b>Duration:</b>	The Sub-Fund is established for an unlimited duration.
<b>Listing:</b>	It is not intended at this stage to list the Shares of the Sub-Fund on any stock exchange.
<b>Dealing Day:</b>	Each Business Day, provided that it is also a bank business day in the principal market or stock exchange on which a material part of a sub-fund's investments for the time being are quoted. Otherwise, it shall be the Business Day which is also a bank business day in the principal market or stock exchange on which a material part of a sub-fund's investments for the time being are quoted and which follows the relevant Dealing Day.
<b>Cut-Off Time for a Dealing Day:</b>	2 pm Luxembourg time on the relevant Dealing Day.
<b>Valuation Day for a Dealing Day:</b>	The relevant Dealing Day.
<b>Publication Day of Net Asset Value for a Dealing Day:</b>	The Net Asset Value per Share of each Class will be updated following each determination of Net Asset Value for a given Valuation Day and will be available from 3 p.m. Luxembourg time on the Business Day immediately following the relevant Dealing Day.
<b>Payment date for Subscriptions</b>	Subscription monies shall be paid and must be received by the Central Administration for value date within 3 Currency Settlement Days following the Relevant Dealing Day.
<b>Payment of redemption proceeds:</b>	The redemption proceeds shall be paid within three Business Days after the relevant Dealing Day.

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	Minimum Subscriptions and Minimum Holdings in USD*	Minimum Additional Subscription in USD*	Management Company Fee**	Investment Management Fee	Global Distribution Fee	The sum of the Management Fee, Investment Management Fee and the Global Distribution Fee shall not exceed:	Maximum FROC***
R1 Shares	100.-	100.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 1.23% p.a.	Max. 1.75% p.a.	Max. 0.50% p.a.
B Shares	N/A	N/A	N/A	N/A	N/A	N/A	Max. 0.30% p.a.
I1 Shares	1.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.48% p.a.	Max. 1.00% p.a.	Max. 0.30% p.a.
I2 Shares	10.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.38% p.a.	Max. 0.90% p.a.	Max. 0.30% p.a.
I3 Shares	20.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.28% p.a.	Max. 0.80% p.a.	Max. 0.30% p.a.
I4 Shares	50.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.18% p.a.	Max. 0.70% p.a.	Max. 0.30% p.a.
I5 Share	100.000.000.-	100.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.08% p.a.	Max 0.60% p.a.	Max. 0.30% p.a.
M Shares	100.000.-	10.000.-	Max. 0.05% p.a.	Max. 0.50% p.a.	Max. 0.58% p.a.	Max 1.10% p.a.	Max. 0.40% p.a.

\* Investors should refer to the section of the Prospectus headed "Important Information" which may refer to an alternative minimum subscription requirement for investors from a particular country. The Directors may reduce or waive the Minimum Subscription, the Minimum Additional Subscription and Minimum Holding at their sole absolute discretion.

\*\* A minimum monthly Management Company Fee of EUR 2.000.- will be payable by the SICAV on behalf of the Sub-Fund in case the Management Company Fee as calculated on the basis of the Net Asset Value of the Sub-Fund on the last Valuation Day of the month, do not reach such level. This monthly fee will be spread on a pro rata basis over the Share Classes. The applicable rate of the Management Company Fee decreases gradually in accordance with the amount of assets under management in the Sub-Fund.

\*\*\* The aggregate amount of Operating Costs and Expenses (including *inter alia* depositary fees, central administration fees such as registrar and transfer agency fees, paying agency fees, domiciliary and corporate agent fees, *taxe d'abonnement*, Directors fees, fees and expenses of auditors, legal advisers as further described in this Prospectus) to be paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares shall equal the amount calculated on the basis of the FROC applied to the Net Asset Value. The Investment Manager will reimburse the SICAV on behalf of the Sub-Fund for the relevant Class of Shares any amount (as the case may be on a prorata basis) qualifying as an Operating Costs and Expenses which exceeds the amount calculated on the basis of the FROC as set from time to time by the Directors subject to a maximum FROC as set out for each Class herein. Conversely, the Investment Manager will be paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares the difference between the amount calculated on the basis of the FROC and the total amount of Operating Costs and Expenses which has actually been paid by the SICAV on behalf of the Sub-Fund for the relevant Class of Shares if such amount is less than the amount calculated on the basis of the FROC.

**The Operating Costs and Expenses expressly exclude the Management Company Fee, the Investment Management Fee, the Global Distribution Fee, transaction costs and extraordinary expenses as further detailed under the heading "Other Fees and Expenses" of the Prospectus.**

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**Specific Risk Factors:** **Risk** **Investors' attention is particularly drawn to the section entitled "Risk Factors" as well as to the following main risk factors specific to an investment in the Sub-Fund.**

Due to its composition and/or the employed investment techniques, the Sub-Fund may exhibit an elevated volatility, which means that the Net Asset Value of the Sub-Fund can be subject to elevated fluctuations on the downside as well as on the upside.

The Reference Currency of the Sub-Fund is USD. A part of the Sub-Fund's assets is invested in other currencies. The performance of the Sub-Fund can be subject to elevated volatility on the downside as well as on the upside due to currency fluctuations.

### **China market**

Investments in China will be sensitive to any political, social and diplomatic developments which may take place in or in relation to China. Any change in the policies of China may adversely impact on the securities markets in China as well as the performance of the Sub-Fund(s) concerned.

The economy of China differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, level of development, growth rate and control of foreign exchange. The regulatory and legal framework for capital markets and companies in China is not well developed when compared with those of developed countries. The economy in China has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of China's economy. All these may have an adverse impact on the performance of the Sub-Fund(s) concerned.

The legal system of China is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, regulations which govern currency exchange in China are relatively new and their application is uncertain. Such regulations also empower the China Securities Regulatory Commission and the State Administration of Foreign Exchange to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

The tax rules applied by the People's Republic of China ("**PRC**") taxation authorities in this area are unclear. As the provision made by the Fund is based on current market practice and the Fund's understanding of the tax rules, any changes to market practice or interpretation of PRC tax rules may impact this provision and may result in this provision being higher or lower than required. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how the capital gains will be taxed, the level of provision and when they subscribed for and/or redeemed their Shares in/from the relevant Sub-Fund.

The Fund currently intends to make provisions at a rate of up to 10% on both

realized and unrealized gains from disposing or holding Mainland Chinese equities and bonds.

### **Derivatives**

The use of derivatives, such as currency forwards, futures contracts, options and swaps, presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying currency, security, asset, index or reference rate, which may be magnified by certain features of the derivatives. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Sub-Fund to lose more money than it would have lost had it invested in the underlying security. The values of derivatives may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility, among other consequences. The use of derivatives may also increase the amount of taxes payable by shareholders. Other risks arise from the Sub-Fund's potential inability to terminate or sell derivative positions. A liquid secondary market may not always exist for the Sub-Fund's derivative positions at times when the Sub-Fund might wish to terminate or sell such positions. Over the counter instruments (investments not traded on an exchange) may be illiquid, and transactions in derivatives traded in the over-the-counter market are subject to counterparty risk. The use of derivatives also involves the risk of mispricing or improper valuation and that changes in the value of the derivative may not correlate perfectly with the underlying security, asset, index or reference rate.

### **Emerging market securities**

Emerging markets securities typically present even greater exposure to the risks described under "Foreign Securities" and may be particularly sensitive to certain economic changes. Emerging markets securities are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Political risks may include unstable governments, nationalization, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws of the U.S. Market risks may include economies that concentrate in only a few industries, securities issued that are held by only a few investors, limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information.

### **Foreign Currency Transaction**

An investment transacted in a foreign currency may lose value due to fluctuations in the rate of exchange. These fluctuations can make the return on an investment go up or down, entirely apart from the quality or performance of the investment itself. A Sub-Fund may enter into foreign currency transactions either to facilitate settlement transactions or for purposes of hedging exposure to underlying currencies. To manage currency

exposure, the Sub-Fund may enter into forward currency contracts to “lock in” the U.S. dollar price of the security. A forward currency contract involves an agreement to purchase or sell a specified currency at a specified future price set at the time of the contract.

### **Foreign Securities**

Foreign investments are subject to greater risks than U.S. domestic investments. These additional risks may include exchange rate fluctuations and exchange controls; less publicly available information; more volatile or less liquid securities markets; and the possibility of arbitrary action by foreign governments, including the takeover of property without adequate compensation or imposition of prohibitive taxation, or political, economic or social instability. Foreign companies also may be subject to significantly higher levels of taxation than U.S. companies, including potentially confiscatory levels of taxation, thereby reducing the earnings potential of such foreign companies. Foreign companies may become subject to sanctions imposed by the United States or another country, which could result in the immediate freeze of the foreign companies’ assets or securities. The imposition of such sanctions could impair the market value of the securities of such foreign companies and limit a Sub-Fund’s ability to buy, sell, receive or deliver the securities. A Sub-Fund may invest indirectly in foreign securities through depositary receipts, such as American Depositary Receipts (ADRs), which involve risks similar to those associated with direct investments in such securities.

### **Investments through STOCK CONNECT**

#### Shanghai-Hong Kong Stock Connect

The Sub-Fund may invest in China A shares through the Shanghai-Hong Kong Stock Connect program subject to any applicable regulatory limits. The Shanghai-Hong Kong Stock Connect program is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited (“**HKEx**”), the Hong Kong Securities Clearing Company Limited (“**HKSCC**”), Shanghai Stock Exchange (“**SSE**”) and China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) with an aim to achieve mutual stock market access between mainland China and Hong Kong. This program will allow foreign investors to trade certain SSE listed China A-Shares through their Hong Kong based brokers.

The Sub-Funds seeking to invest in the domestic securities markets of the PRC may use the Shanghai-Hong Kong Stock Connect to the following additional risks.

**General Risk:** The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Sub-Fund. The program requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in both Hong Kong and Shanghai markets through the program could be disrupted.

**Clearing and Settlement Risk:** The HKSCC and ChinaClear have established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary

trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

**Legal/Beneficial Ownership:** Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local Central Securities Depositories, HKSCC and ChinaClear.

As in other emerging and less developed markets, the legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. In addition, HKSCC, as nominee holder, does not guarantee the title to Shanghai-Hong Kong Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or custodian as registered holder of Shanghai-Hong Kong Stock Connect securities would have full ownership thereof, and that those Shanghai-Hong Kong Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently the SICAV and the Custodian cannot ensure that the Funds ownership of these securities or title thereto is assured.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Custodian and the SICAV will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the SICAV suffers losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Sub-Fund may not fully recover its losses or its Shanghai-Hong Kong Stock Connect securities and the process of recovery could also be delayed.

**Operational Risk:** The HKSCC provides clearing, settlement, nominee functions and other related services of the trades executed by Hong Kong market participants. PRC regulations which include certain restrictions on selling and buying will apply to all market participants. In the case of sale, pre-delivery of shares are required to the broker, increasing counterparty risk. Because of such requirements, the Sub-Fund may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner.

**Quota Limitations:** The program is subject to quota limitations which may restrict the Sub-Fund ability to invest in China A-Shares through the program on a timely basis.

Investor Compensation: The Sub-Fund will not benefit from local investor compensation schemes. Shanghai-Hong Kong Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC market but the Sub-Fund cannot carry out any China A-Shares trading. The Sub-Fund may be subject to risks of price fluctuations in China A-Shares during the time when Shanghai-Hong Kong Stock Connect is not trading as a result.

### **Hedging Risk**

Losses or gains generated by a derivative or other instrument or practice used by the Sub-Fund for hedging purposes (including for hedging interest rate risk and credit risk) should be substantially offset by gains or losses on the hedged investment. However, although hedging can reduce or eliminate losses, it can also reduce or eliminate gains. In addition, the Sub-Fund is exposed to the risk that changes in the value of a hedging instrument will not match those of the investment being hedged. The Investment Manager may not be able to predict correctly the direction of securities prices, interest rates and other economic factors, which could cause the Sub-Fund's hedges to lose value. There can be no assurance that the Sub-Fund's hedging transactions will be effective.

### **Investment in Other Investment Companies**

A Sub-Fund's investment in another investment company may subject the Sub-Fund indirectly to the underlying risks of the investment company. The Sub-Fund also will bear its share of the underlying investment company's fees and expenses, which are in addition to the Sub-Fund's own fees and expenses. Shares of closed-end funds and ETFs may trade at prices that reflect a premium above or a discount below the investment company's net asset value, which may be substantial in the case of closed-end funds. If investment company securities are purchased at a premium to net asset value, the premium may not exist when those securities are sold and the Sub-Fund could incur a loss.

### **Management risk**

Investment decisions made by the Investment Manager in seeking to achieve the Sub-Fund's investment objective may not produce the returns expected by the Investment Manager, may cause a decline in the value of the securities held by the Sub-Fund and, in turn, cause the Sub-Fund's shares to lose value or underperform other funds with similar investment objectives.

### **Market Risk**

Market risk refers to the risk that the market prices of securities that a Sub-Fund holds will rise or fall, sometimes rapidly or unpredictably. Security prices may decline over short or even extended periods not only because of company-specific developments but also due to an economic downturn, a change in interest or currency rates or a change in investor sentiment. In general, equity securities tend to have greater price volatility than debt securities.



### **Concentration Risk**

A Sub-Fund's greater concentration on certain countries/regions or on certain sectors makes the Sub-Fund more susceptible to financial, economic or market events impacting such country/ies or market. A decline in the value of or default by a single security in the Sub-Fund's portfolio may have a greater negative effect if the Sub-Fund holds a large position than a similar decline or default by a single security in a diversified portfolio.

### **Small and Medium Capitalization Companies**

Securities of small- and medium-sized companies are often subject to less analyst coverage and may be in early and less predictable periods of their corporate existences. In addition, these companies often have greater price volatility, lower trading volume and less liquidity than larger more established companies. These companies tend to have smaller revenues, narrower product lines, less management depth and experience, smaller shares of their product or service markets, fewer financial resources and less competitive strength than larger companies. The stocks of small and medium-sized companies may have returns that vary, sometimes significantly, from the overall stock market.

**Any of the above risk factors may cause a significant fall of the Sub-Fund's Net Asset Value. Relevant risk factors cannot be listed exhaustively. Potential investors should ask for advice before subscribing to Shares of the Sub-Fund.**