



Prospectus

Elite Fund

with its current Sub-Fund

Elite Fund – Star Choice

Registered pursuant to Part II of the Luxembourg law of 17 December 2010 on Undertakings for Collective Investment, as amended (the "2010 Law"), and qualifies as alternative investment fund ("AIF") in accordance with the law of 12 July 2013 on alternative investment fund managers, as amended (the "2013 Law").

February 2021 Important Information

Elite Fund (the "**Fund**") is organised as an *FCP*, i.e. a common mutual investment fund (*fonds commun de placement*), governed by the laws of the Grand Duchy of Luxembourg and subject to the 2010 Law and to the 2013 Law. The Fund is managed by FundRock Management Company S.A., a management company governed by Chapter 15 of the Luxembourg law dated 17 December 2010 on undertakings for

collective investment, as amended. The Management Company also acts as alternative investment fund manager (the "**AIFM**") in accordance with the provisions of Chapter 2 of the 2013 Law.

The Management Company is offering units of the Fund on the basis of the information contained in this Prospectus and the Management Regulations. No person is authorized to give any information or to make any representations concerning the Fund other than as contained in the Prospectus, the Management Regulations and in the other documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus, the Management Regulations or in the other documents referred to herein, shall be solely at the risk of the investor.

The Fund is an open-ended mutual investment fund, established for an unlimited duration.

Subscriptions can only be accepted on the basis of this prospectus accompanied by the latest annual report (if any), as well as by the latest semi-annual report, if published after the latest annual report.

These reports form part of the present prospectus. No information other than that contained in this prospectus, in the periodic financial reports or in any other document mentioned in the prospectus and which may be consulted by the public may be given in connection with this offer.

Units in Elite Fund may be neither bought nor held directly or indirectly by investors who are residents or citizens of the United States and its sovereign territories; nor is the transfer of units to such persons permitted. This prospectus may not be distributed in the United States of America.

No one may refer to information other than that appearing in this Prospectus and in the documents referred to herein.

Units may fall as well as rise and an investor may not get back the amount initially invested. Income from the units may fluctuate in money terms and changes in currency exchange rates may, among other things, cause the value of units to go up or down. The levels and bases of, and relieves from, taxation may change.

Prospective 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, redemption or disposal of the units of the Fund.

Units of the Fund are solely advised on, offered or sold to professional investors and hence no key information documents for packaged retail and insurance-based investment products shall be issued.

Involved parties

AIFM and Management Company

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L-5826 Hesperange

Central Administration

FundRock Management Company S.A.
33, rue de Gasperich
L-5826 Hesperange

Administrative Agent, Registrar and Transfer Agent

European Fund Administration S.A.
2, rue d'Alsace
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Board of Directors of the AIFM and Management Company

Chairman

Mr Michel Marcel Vareika
Independent Non-Executive Director
Grand Duchy of Luxembourg

Directors

Mr Romain Denis
Executive Director – Co-Managing Director
FundRock Management Company S.A.
Grand Duchy of Luxembourg

Mr Eric May
Non-Executive Director
Founding Partner
BlackFin Capital Partners
France

Mrs Tracey McDermott
Independent Non-Executive Director
Grand Duchy of Luxembourg

Mr Serge Ragozin
Executive Director – Deputy CEO Chief Operating Officer
FundRock Management Company S.A.
Grand Duchy of Luxembourg

Mr. Xavier Parrain
Executive Director – Chief Executive Officer
FundRock Management Company S.A.
Hesperange, Grand Duchy of Luxembourg

Conducting Officers

Mr Romain Denis
Executive Director – Co-Managing Director

Mr Matteo Sbrolla,
Director Investment Management and Distribution Oversight

**Approved Statutory Auditor of
the Fund**

PricewaterhouseCoopers Société coopérative
2, rue Gerhard Mercator
L-2182 Luxembourg

**Approved Statutory Auditor of
FundRock Management
Company S.A .**

Deloitte Audit Sàrl .
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L-1821 Luxembourg

Depositary and Paying Agent

Société Générale Luxembourg
11, avenue Emile Reuter
L-2420 Luxembourg

Portfolio Manager

Skandinaviska Enskilda Banken AB (publ)
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**Placement and Distribution
Agent**

FundRock Management Company S.A.
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SECTION I – Structure of the Fund

Formation – Legal status

Elite Fund (hereafter the "**Fund**") is an open-ended mutual investment fund ("*Fonds commun de placement*") governed by Part II of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (hereafter the "**2010 Law**") and qualifies as alternative investment fund ("**AIF**") in accordance with the law of 12 July 2013 on alternative investment fund managers, as amended (the "**2013 Law**"). The Fund is managed by FundRock Management Company S.A. (the "**Management Company**"), a management company governed by Chapter 15 of the 2010 Law. The Management Company also acts as alternative investment fund manager (the "**AIFM**") in accordance with the provisions of Chapter 2 of the 2013 Law. The Fund was set up in accordance with management regulations (hereafter the "**Management Regulations**") signed in Luxembourg on 16 April 2003 as an umbrella fund comprising separate Sub-Funds. The Management Regulations were amended for the last time with effect as of 27 January 2020 and were deposited with the Luxembourg Trade Register. A notice of the deposit was published on 27 January 2020 in the *RESA, Recueil Electronique des Sociétés et Associations* ("**RESA**"), the Official Gazette of the Grand-Duchy of Luxembourg. The Fund is registered with the Registre de Commerce et des Sociétés under number K 63.

The main objective of the Fund is to provide active and professional management, to diversify investment risks and satisfy investors seeking longer-term capital growth. As in the case of any investment, the Management Company cannot guarantee future performance and there can be no certainty that the investment objectives of the Fund will be achieved.

At the time of the issue of this prospectus (hereafter the "**Prospectus**"), the Fund comprises one Sub-Fund "Elite Fund – Star Choice" (hereafter the "**Sub-Fund**" or "**Star Choice**").

In order to calculate the net asset value (hereafter the "**NAV**") per unit, the value of the assets belonging to the Sub-Fund less its liabilities is calculated on each day that constitutes a Bank Business Day, defined as any day on which banks are open for business in Luxembourg except 24 December and 31 December (the "**Valuation Day**"), and the result is divided by the number of the units issued.

The base currency (hereafter the "**Base Currency**") is the Swedish krona (SEK), the NAV will be expressed in SEK.

It is intended to create other Sub-Funds depending on the market opportunities and the needs of the investors. In the event of the creation of new Sub-Funds, the Prospectus will be supplemented.

As investment in the Sub-Funds is subject to market risks, realisation of the main objective cannot be guaranteed.

There is no restriction on the amount of the Fund's assets or on the number of its units.

Management Regulations

The rights and duties of the unitholders of each Sub-Fund, and the Depositary are determined by the Management Regulations. Copies of the Management Regulations are available free of charge at the offices of the Depositary as well as from the Management Company.

The Management Company may, by mutual agreement with the Depositary, make any amendment to the Management Regulations, which will enter into force upon signature. A notice about this amendment will then be published.

SECTION II – Investment Objectives, Strategy and Restrictions

Objectives and policy of the Fund

The investment objectives of the Fund is to provide participations through its investing (1) in shares and/or units of investment funds of the open-ended type and accessorially of the closed-ended type, as well as (2) in securities and (3) in other assets permitted by Part II of the 2010 Law, with the purpose of spreading investment risks while seeking capital appreciation..

The Fund has long-term investment horizons and therefore purchase of units in the Fund should be regarded as long-term investment.

The Fund, with respect to its Sub-Funds, may take any measures and carry out any operation it may deem useful in the accomplishment and development of its purpose to the full extent permitted by part II of the 2010 Law.

The Fund is not managed with reference to a benchmark.

Elite Fund – Star Choice

The Sub-Fund's investment objective is to achieve long-term, risk-adjusted capital appreciation over the long-term. The Sub-Fund will invest at least 30% of its net assets in equity securities and equity related securities primarily through listed equities complemented by investment funds and - private equity investments. Although the primary geographic focus will be Sweden, the Sub-Fund's net assets may be invested in other OECD markets.

The Sub-Fund may also invest up to 40% of its net assets in undertakings for collective investment which use non-traditional or alternative asset management strategies, generally known as "hedge funds" of the open-ended type. On an ancillary basis, the Sub-Fund may also invest in bonds and other debt instruments mainly denominated in SEK or issued by Swedish companies and institutions, liquid assets such as money market instruments, cash and cash equivalents.

On an ancillary basis, the Sub-Fund may invest in investment funds of the closed-ended type (UCITS and UCIs);

Furthermore, the Sub-Fund will make use of financial derivative instruments both for investment and hedging purposes.

The Sub-Fund does not make use of any Efficient Portfolio Management techniques, nor enters into total return swaps or financial derivative instruments with similar characteristics and as such the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse is currently not applicable. The Prospectus will be updated accordingly prior to the use of any such instruments or techniques.

Pursuant to the requirements prescribed under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("AIFMD"), the maximum level of leverage which the AIFM is entitled to employ on behalf of the Sub-Fund is set at 110% of the total net assets under the gross method approach and at 110% of the total net assets under the commitment approach.

A. Rationale for alternative asset management

The strategies followed by the hedge fund managers might differ in material respects, but they are all alternative investment strategies. The term "alternative investment strategies", relates to strategies which are primarily based on the particular skill or trading method of the portfolio manager rather than on the simple consistency of return inherent in debt instrument investing or the participation in economic growth cycles provided by long positions in equities. Alternative investment strategies are intended to have an opportunity to be profitable even during periods when the values of traditional asset classes may be

generally declining and to produce returns that have a low correlation (but not necessarily a negative correlation) to those markets.

Traditional asset management is based on the theory of market efficiency. Participation in the markets has a direct correlation to the economy at large. The ability to outperform markets, however, is contingent upon assuming additional incremental risk. This is reflected through individual share volatility and general market behaviour which is defined as systemic risk. In contrast, alternative asset management assumes that markets are inherently inefficient over certain periods of time and attempts to capitalise on opportunities produced. The strategies used to do so attempt not to increase the overall risk profile and indeed in most cases strive to reduce it. Their ability to do so is predicated on many of the characteristics which clearly differentiate them from traditional counterparts.

Traditional asset management focuses on the comparative performance of the long investment portfolio in relation to an appropriate index or benchmark. Portfolio indexation has led to a largely passive investment approach which is measured in relative terms. Alternative asset management is a much more dynamic approach as it seeks to outperform in all market conditions through its combined long and short exposure. These strategies seek to achieve absolute rather than index-related performance.

Alternative asset management strategies are not constrained to investing in, and maintaining only long positions in equities and bonds. They have the distinct ability to use both long and short positions within their strategic constructs. Both traditional and alternative investment styles may use derivative instruments for hedging and position-building purposes. Outright and directional positions however, may also be used to various degrees within alternative portfolios dependent on investment style. Leverage, while generally not being permitted in traditional strategies, may be used to a significant degree in certain alternative investment strategies. However, a hedge fund does not necessarily make use of leverage.

B. Hedge fund strategies and definitions

Hedge fund strategies in the traditional sense seek to reduce systemic or market risk in investment portfolios through offsetting long and short positions. Alternative asset management is simply the expansion of the traditional hedge fund definition through the use of more diverse strategies and methodologies. A wide range of investment disciplines are represented which vary both in nature, risk and performance attributes. In general terms, the alternative asset management strategies include the following:

Long only: With absolute return objective, these strategies will use cash as a way to protect capital. Normally long only managers are fully invested all the time, whereas in the hedge fund strategies cash will be used as a hedge.

Traditional: Strategies which follow the original long/short model. This style seeks to reduce risk through offsetting positions and capitalise on the ability to use leverage.

Macro: Macro strategies employ a "top-down" investment approach in which the various macroeconomic factors such as interest rate direction and currency movements play a key role in the decisional process. Macro funds often invest in diversified portfolios which may have not only core equity positions but also include fixed income instruments, currencies, futures, options and other derivative instruments. In this respect, many of the macro strategies may be considered to be highly leveraged.

Relative value: These strategies, commonly referred to as arbitrage, can be used in diverse sectors such as convertible bonds, fixed income, and capital restructuring. The focus is on identifying valuation differences between related trading instruments. The relative value comes from buying the underpriced instrument while hedging it through shorting a corresponding overpriced instrument. The instruments are generally related by issuer, sector or economic sensitivity.

Distressed securities: This strategy employs a fundamental valuation process related to securities of companies and bankruptcy proceedings. These securities are frequently undervalued based on the

uncertainty related to their corporate viability. Analysis necessary to valuing the securities of these issuers is legally complex and often lacks transparency.

The AIFM intends to invest the assets of the Sub-Fund in a variety of UCIs pursuing alternative strategies including some or all of the above.

There can be no assurance that the investment objective will be achieved.

In exceptional circumstances, when the market conditions do not permit the investment foreseen, the AIFM may decide, in the unit holders' interest, that investments may be done in other assets permitted by law.

C. Management of Collateral and Collateral Policy

General

In the context of OTC financial derivative transactions the Sub-Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Management Company in such case. All assets received by the Sub-Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

Eligible Collateral

Collateral received by the Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF-Circulars issued from time to time notably in terms of liquidity and issuer credit quality, valuation, correlation, collateral diversification, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (i) Liquidity and issuer credit quality – any collateral received other than cash shall be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
- (ii) Valuation – collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) Correlation – the collateral received by the Sub-Fund shall be issued by an entity that is independent from the counterpart and is expected not to display a high correlation with the performance of the counterpart;
- (iv) Collateral diversification (asset concentration) – collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterpart of efficient portfolio management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the respective Sub-Fund's net asset value. When the Sub-Fund is exposed to different counterparts, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. In such a case, the Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the respective Sub-Fund's net asset value. The list of eligible jurisdictions

includes, but is not limited to, Canada, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States of America;

Besides, collateral received shall also comply with the provisions of Article 48(2) of the 2010 Law;

- (v) It should be capable of being fully enforced by the Sub-Fund at any time without reference to or approval from the counterparty;
- (vi) Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the risk management process;
- (vii) Where there is a title transfer, the collateral received shall be held by the Depositary of the Sub-Fund. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral;

Subject to the abovementioned conditions, collateral received by the Sub-Fund may consist of the following instruments as accepted by the Commission Delegated Regulation (EU) 2016/2251 of the 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 (hereafter referred to as "CDR 2016/2251"):

- (i) Cash in an OECD country currency in accordance with Article 4(1) (a) of CDR 2016/225;
- (ii) Debt securities issued or guaranteed by Member States' central governments or central banks in accordance with Article 4(1) (c) of CDR 2016/2251;
- (iii) Debt securities issued by Member States' regional governments or local exposures whose exposures are treated as exposures to the central government of that Member State listed in Article 115(2) of the Regulation (EU) 575/2013;
- (iv) Debt securities issued by multilateral banks listed in Article 117(2) of the Regulation (EU) of 575/2013;
- (v) Debt securities issued by international organisations listed in Article 118 of the Regulation (EU) No 575/2013;
- (vi) Corporate bonds;
- (vii) Convertible bonds provided they can be converted only into equities which are included in an index specified pursuant to point (a) of Article 197(8) of the Regulation (EU) No 575/2013;
- (viii) Equities included in an index specified pursuant to point (a) of Article 197(8) of the Regulation (EU) No 575/2013.

Level of Collateral

The Management Company will determine the required level of collateral for OTC financial derivatives 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.

Rules for application of Haircuts

Collateral will be valued on a daily basis using available market prices and the value of collateral will be adjusted by applying relevant haircuts. For this purpose, in accordance with Article 6 of CDR 2016/2251, the Management Company will rely on the credit quality assessments issued by a recognised External

Credit Assessment Institution or the credit quality of (ECAI) of an export credit agency and thus will use standard haircuts to be applied by asset type, maturity and credit quality of the issuer.

The following haircuts will be applied:

- 1) Cash Collateral
 - (i) Cash variation margin shall be subject to a haircut of 0%;
 - (ii) Cash initial margin shall be subject to a haircut of 8% when the cash initial margin has been posted in a currency other than the currency in which the payments in case of early termination

or default have to be made in accordance with the single derivative contract, the relevant exchange of collateral agreement or the relevant credit support annex ("termination currency").

In case no termination currency has been set out, the above haircut of 8% shall apply to the market value of all the assets posted as collateral.

2) Non-Cash Collateral

(i) Haircuts applicable to debt securities

Table 1 Debt securities

Collateral		Credit Quality Step	Maturity		
			≤ 1 year	>1 ≤ 5 year(s)	> 5 years
(i)	Debt securities issued or guaranteed by Member States' central governments or central banks in accordance with Article 4(1) (c) of CDR 2016/2251	1	0.5%	2%	4%
(ii)	Debt securities issued by Member States' regional governments or local exposures whose exposures are treated as exposures to the central government of that Member State listed in Article 115(2) of Regulation (EU) 575/2013 and in accordance with CDR 2016/2251				
(iii)	Debt securities issued by multilateral banks listed in Article 117(2) of Regulation (EU) of 575/2013 and in accordance with CDR 2016/2251	2-3	1%	3%	6%
(iv)	Debt securities issued by international organisations listed in Article 118 of the Regulation (EU) No 575/2013 and in accordance with CDR 2016/2251				
(v)	Convertible bonds provided they can be converted only into equities which are included in an index specified pursuant to point (a) of article 197(8)of Regulation (EU) No 575/2013	1-3	15%		
(vi)	Corporate bonds in accordance with CDR 2016/2251	1	1%	4%	8%
		2-3	2%	6%	12%

To determine the credit quality step, the second best rating from Moody's, S&P and Fitch shall be used and mapped using the table below. For the avoidance of the doubt, no credit quality step 4 is mapped since all debt securities shall be having an issuer rating of investment grade.

Table 1 – Credit Quality step mapping table

Credit Rating Agency	Rating type	Credit Quality Step		
		1	2	3
Fitch Ratings	Long-term Issuer Credit ratings scale	AAA, AA	A	BBB
Moody's Investors Service	Global long-term rating scale	Aaa, Aa	A	Baa
Standard & Poor's ratings Services	Long-term issuer credit ratings scale	AAA,A A	A	BBB

- (ii) Equities in main indices and bonds convertible to equities in main indices shall have a haircut of 15 %.
- (iii) Non cash initial margin posted in a currency other than the currency in which the payments in case of early termination or default have to be made in accordance with the single derivative contract, the relevant exchange of collateral agreement or the relevant credit support annex ("termination currency") shall be subject to an additional haircut of 8%.

In case no termination currency has been set out, the above haircut of 8% shall apply to the market value of all the assets posted as collateral.

- (iv) Non-Cash variation margin posted in a currency other than those agreed in an individual derivative contract, the relevant governing master netting agreement or the relevant credit support annex shall be subject to an additional haircut of 8%.

The Management Company reserves the right to review and amend the above haircuts at any time when the market conditions have changed and when and if this is deemed in the best interest of the Sub-Fund.

Reinvestment of Collateral

Non-Cash Collateral received by the Sub-Fund may not be sold, re-invested or pledged.

Restrictions on the re-use of Cash Collateral

Cash Collateral received by the Sub-Fund shall neither be re-invested nor pledged.

Investment restrictions

General rules

The investment of the Fund shall be subject to the limits, whose purpose is to ensure that investments are sufficiently liquid and diversified. Certain of these limits may not apply to the Sub-Fund, as defined in the relevant Sub-Fund's description, insofar as they are incompatible with the investment policy assigned to the Sub-Fund. The applicable limits will be detailed in the descriptions of the respective Sub-Funds.

- 1) The Sub-Fund may not in principle:
 - a) invest more than 10% of its net assets in securities and money market instruments not listed on a stock exchange nor dealt in on any other regulated market which operates regularly and

is recognised and open to the public in the European Union and all other countries of Europe, America, Asia, Australia, New Zealand and Africa ("**Eligible States**");

- b) acquire more than 10% of the securities and money market instruments of the same kind issued by the same issuing body;
- c) invest more than 10% of its net assets in securities and money market instruments issued by the same issuing body.

The restrictions mentioned here above are not applicable to securities issued or guaranteed by a member State of the OECD or their local authorities or public international bodies with EU, regional or world-wide scope.

If a Sub-Fund intends to make investments in other undertakings for collective investment, the relevant Sub-Fund shall expressly state this possibility.

2) Each Sub-Fund may not:

- a) invest more than 10% of its net assets in open-ended investment funds which are not listed on a stock exchange nor dealt in on another regulated market which operates regularly and is recognised and open to the public. This limitation does not apply to investments in shares and/or units of "hedge funds" of the open-ended type;
- b) invest more than 10% of its net assets in shares and/or units of any single open-ended investment fund;
- c) hold more than 25% of the shares or units issued by any single investment fund. Maximum two different holdings may be made up to such limit. Other holdings of any one investment fund may not exceed 15% of the shares or units issued by any single investment fund;

For the purpose of this limit, each sub-fund of a target UCI with multiple sub-funds is to be considered as a distinct UCI provided that the principle of segregation commitments of the different sub-funds towards third parties is ensured.

The limits referred to above are not applicable to the purchase of shares and/or units of UCIs of the open-ended type if such UCIs are subject to risk diversification requirements comparable to those provided for by the 2010 Law for UCIs subject to part I or part II of the 2010 Law and if they are subject in their home country to permanent supervision by a supervisory authority set up by law in order to ensure the protection of the sub-fund's investors.

The AIFM will make sure that no excessive investments are concentrated in any one single investment fund.

- 3) Each Sub-Fund may also invest in shares and/or units of investment funds of the closed-ended type, which latter have to be listed on a regular stock exchange with a sufficient trading liquidity. Shares and/or units of closed-ended undertakings for collective investment are treated in the same way as other transferable securities and are therefore subject to the general rules applicable to transferable securities as set out in 1) a) to c).

Potential investors should be aware that the fees payable to FundRock Management Company S.A. are in addition to the fees paid by the invested UCIs to the manager and that there may be a duplication of fees. There may also be a duplication of subscription and/or redemption fees.

- 4) The Fund may not invest in units of undertakings for collective investment whose investment policy is to invest in other undertakings for collective investment (funds of funds), neither in investment

funds whose principal purpose is to invest in immovable property, venture capital or private equity funds.

The Fund may furthermore, with respect to its Sub-Funds:

- 5) invest in recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or Regulated Market in an Eligible State and such admission is achieved within a year of the issue.
- 6) sell securities short for a total commitment not exceeding 15% of the total net assets of each Sub-Fund at the day of the transaction. Cover for the short position can be made through purchase of a call option.

Short sales may, in principle, not result in the Sub-Fund holding:

- a) a short position on transferable securities which are not listed on a stock exchange or dealt on another regulated market, operating regularly and being recognised and open to the public. However, the Sub-Fund may hold short positions on transferable securities which are not quoted and not dealt on a regulated market if such securities are highly liquid and do not represent more than 10% of the assets of the Sub-Fund;
- b) a short position on transferable securities which represent more than 10% of the securities of the same type issued by the same issuer;
- c) a short position on transferable securities of the same issuer, (i) if the sum of the cancelling price of the short positions relating thereto represents more than 10% of the assets of the Sub-Fund or (ii) if the short position entails a commitment exceeding 5% of the assets.

If the Sub-Fund enters into short sales, it must hold sufficient assets enabling it at any time to close the open positions resulting from short sales.

The short sales of transferable securities for which the Sub-Fund holds adequate coverage are not considered for the purpose of calculating the total commitments referred to above. It is to be noted that the fact for the Sub-Fund to grant a security, of whatever nature, on its assets to third parties to guarantee its obligations towards such third parties, is not to be considered as adequate coverage for the Sub-Fund's commitments.

The potential losses resulting from short sales on transferable securities differ from the possible losses resulting from the investment of liquid assets in such transferable securities. In the first case, the loss may be unlimited whereas, in the second case, the loss is limited to the amount of liquid assets invested in the transferable securities concerned.

- 7) not invest more than 5% of the net assets of each Sub-Fund in securities which are not fully paid up.
- 8) not invest in real estate, commodities or documents evidencing a right to commodities.
- 9) not use the Sub-Funds' net assets as collateral for the issuing of securities except in case of back-to-back loans.
- 10) borrow up to a maximum of 25% of the total net assets of each Sub-Fund. Back-to-back loans shall not fall under this restriction provided that such loans will be used only in order to acquire foreign currencies.
- 11) If, based on the appraisal of the Portfolio Manager, investments in the assets classes described in the investment policy of the respective Sub-Fund are, due to exceptional economic, political or other circumstances, not in the best interest of the unitholders, up to 100% of the Fund/Sub-Fund's net

assets may be invested in cash or cash equivalent instruments. These instruments will have a residual maturity not exceeding 12 months and will have at least investment grade rating.

In this respect, time deposits with credit institutions shall be deemed to be cash equivalents.

The Portfolio Manager will observe the principle of risk diversification when investing in cash and cash equivalent instruments. Cash held with one single credit institution must not exceed 20% of the net assets of the Fund/Sub-Fund. Investments in cash equivalents must be sufficiently diversified with regard to issuers and maturities.

A credit institution must fulfil the requirements of Art 41 (1) f) of the 2010 Law.

12) Use of financial derivative instruments and other techniques

Each Sub-Fund is authorised to make use of financial derivative instruments, except total return swaps or derivatives with similar characteristics and techniques referred to hereafter.

Financial derivative instruments may include, amongst others, options, futures and forward contracts on financial instruments and options on such contracts.

The aggregate commitments resulting from short sales of transferable securities together with the commitments resulting from financial derivative instruments entered into by private agreement and, if applicable, the commitments resulting from financial derivative instruments dealt on a regulated market may not exceed at any time the assets of the Sub-Funds.

13) Restrictions relating to financial derivative instruments

- a) Margin deposits in relation to derivative financial instruments dealt on an organized market as well as the unrealised loss arising from derivative financial instruments contracted by private agreement may not exceed 50% of the assets of each Sub-Fund. The reserve of liquid assets of each Sub-Fund must represent at least an amount equal to the margin deposits made by the Sub-Fund. Liquid assets do not only comprise time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, but also treasury bills and bonds issued by OECD member countries or their local authorities or by supranational institutions and organisations with European, regional or worldwide scope as well as bonds listed on a stock exchange or dealt on a regulated market, which operates regularly and is open to the public, issued by first class issuers and being highly liquid;
- b) A Sub-Fund may not borrow to finance margin deposits;
- c) A Sub-Fund may not enter into contracts relating to commodities other than commodity future contracts. However, each Sub-Fund may acquire, for cash consideration, precious metals which are negotiable on an organized market. All contracts entered into by a Sub-Fund will be liquidated and/or rolled over before delivery date. No physical deliveries will be traded;
- d) The premiums paid for the acquisition of options outstanding are included in the 50% limit referred to under item (1) above;
- e) Each Sub-Fund must ensure an adequate spread of investment risks by sufficient diversification;
- f) A Sub-Fund may not hold an open position in anyone single contract relating to a financial derivative instrument dealt in on an organized market or a single contract relating to a financial derivative instrument entered into by private agreement for which the margin required or the commitment taken, respectively, represents 5% or more of the assets of the Sub-Fund;
- g) The Premiums paid to acquire options outstanding having identical characteristics may not exceed 5% of the assets of each Sub-Fund;
- h) A Sub-Fund may not hold an open position in financial derivative instruments relating to a single commodity or a single category of forward contracts on financial instruments for which the margin required (in relation to financial derivative instruments negotiated on an organized

market) together with the commitment (in relation to financial derivative instruments entered into by private agreement) represent 20% or more of the assets of the Sub-Fund;

Risk warning

Future investors in Elite Fund-Star Choice must be aware that an investment in this Sub-Fund entails an above-average risk and is only appropriate for persons who can take the risk to lose the entire investment. Option markets are extremely volatile and the risk to incur a loss in relation to such markets is very high.

SECTION III – Risk Management and Risk Factors

Risk and Liquidity Management

The AIFM has established and maintains a permanent risk management function which implements an effective risk management policy for identifying, measuring and monitoring on a regular basis all the risks which are or might be material to the Sub-Fund. Both a qualitative and quantitative assessment of the identified risks is being conducted by the AIFM and corresponding risk limits are being implemented. The AIFM monitors the compliance with the risk limits and ensures prompt and appropriate action is taken in case of any actual or foreseeable breach of limits.

Liquidity Management

The AIFM employs appropriate liquidity management methods and adopts procedures which enable it to monitor the liquidity risk of the Fund. The AIFM ensures that, for each Fund it manages, the investment and financing strategy, the liquidity profile and the redemption policy are consistent. As further specified in the section "Redemption of Units", the Fund may apply tools and arrangements necessary to handle illiquid assets (such as gates).

Epidemics, Pandemics, and Outbreaks of Disease

The Fund and its service providers' activities could be materially adversely affected by outbreaks of disease, epidemics and public health issues globally. A novel coronavirus was first detected in late December 2019 and is causing an outbreak of respiratory disease in countries around the world. On February 11, 2020 the World Health Organisation (the "WHO") named the disease "COVID-19" and on March 11, 2020 the WHO declared a pandemic. Countries that have already suffered outbreaks of the disease are likely to suffer a continued increase in recorded cases of the disease. Furthermore, the disease is likely to spread to additional countries around the world. Although the long-term effects of COVID-19 (and the actions and measures taken by governments around the world to halt the spread of the virus) cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A continued escalation in the COVID-19 outbreak could see a continual decline in global economic growth (worst-case predictions estimate that global economic growth could be halved and according to the OECD, plunge several countries into recession.). Many businesses around the world have curtailed their travel and meeting plans. This is likely to slow business activity, including in particular international business activity. The spread of COVID-19 may have an adverse impact on the Fund and its Sub-Funds. Covid-19 may negatively impact the business activities of the Investment Manager and other service providers to the Fund, resulting, for example, in employees being either absent from work or to work remotely for prolonged periods of time. The ability of the employees of the Investment Manager and/or other service providers of the Fund to work effectively on a remote basis may adversely impact the day-to-day operations of the Fund.

General SFDR disclosures and Sustainability Risks

In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the "EU Action Plan") that set out an EU strategy for sustainable finance. The EU Action Plan identified several legislative initiatives, including Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). SFDR requires transparency with regard to the integration of evaluations of environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investments made by a financial product ("Sustainability Risks") and consideration of adverse sustainability impacts of the actions financial products and financial market participants.

At the date of this Prospectus, it is difficult to predict the full extent of the impact of SFDR and the EU Action Plan on the Fund [and its Sub-Funds]. The Board of Directors reserves the right to adopt such arrangement as it deems necessary or desirable to ensure that the Fund [and its Sub-Funds] complies with any applicable requirements of the SFDR and any other applicable legislation or regulations related to the EU Action Plan. In particular, the Management Company and the Fund await the further consultation and/or guidance on the level 2 regulatory technical standards (the "RTS"), and the adoption by the EU institutions

of the RTS. Once adopted, this Prospectus and/or the websites of the Management Company and Portfolio Manager may be updated to include further disclosures as required.

The Fund is not considered an ESG financial product since it does not promote and does not maximize portfolio alignment with Sustainability Factors (as defined in SFDR). However, the Fund is exposed to sustainability risks due to the nature of the securities in which it invests.

How Sustainability Risks are integrated into the investment decisions of the Portfolio Manager

Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities for maximizing the long-term risk-adjusted returns. The [Portfolio Manager/Investment Manager] considers sustainability risks as part of its broader analysis of potential investments and the factors considered will vary depending on the security in question, but typically include ownership structure, board structure and membership, capital allocation track record, management incentives, labour relations history, and climate risks.

A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country which may impact the portfolio of the Fund in its entirety.

Principal adverse impacts of investment decisions on sustainability factors are not currently considered due to the lack of available and reliable data. The situation will however be reviewed going forward.

Risk factors applicable to the investment in the Elite Fund – Star Choice

A. Risks relating to the investment in "hedge funds"

Prospective investors should be aware that an investment in the Sub-Fund involves a high degree of risk, including the risk of loss of the entire amount invested.

General

Managers of the target UCIs of the Sub-Fund may invest in and actively trade instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leverage factors associated with trading in such markets and instruments, and the potential exposure to loss resulting from counterparty defaults. There can be no assurance that a Sub-Fund's investment program will be successful or that the investment objective of the Sub-Fund will be achieved. Units in the Sub-Fund may fluctuate in price and value, and the value of the shares may decline below the amount originally invested.

Despite a strict *Due Diligence* procedure used to select and monitor the individual funds in which the assets of the Sub-Fund are invested, there can be no assurance that the past performance information will be indicative of how such investments will perform (either in terms of profitability or correlation) in the future. Upon redemption of units or the liquidation of the Sub-Fund, investors may receive less than the amount invested.

The Sub-Fund will seek to achieve risk diversification by selecting UCIs managed by different managers with different investment styles or investing in different areas.

Lack of publicly available information regarding UCIs

The securities in which the UCIs invest may be offered on a private placement basis, and unlike more regulated mutual funds registered for distribution to the public, are subject to limited regulatory, disclosure and reporting requirements. Accordingly, only a relatively small amount of publicly available information about UCIs, their holdings and performance, may be available.

Illiquidity of the UCIs

Although the Manager will seek to select UCIs which offer the opportunity to have their shares or units redeemed within a reasonable time frame, there is no assurance that the liquidity of the investments of

such UCIs will always be sufficient to meet redemption requests. Any lack of liquidity may affect the liquidity of the units of the Sub-Fund and the value of its investments.

For such reasons the treatment of redemption requests may be postponed in exceptional circumstances including if a lack of liquidity may result in difficulties to determine the NAV of the units of the Sub-Fund and consequently a suspension of issues, redemptions and conversions. The portion of the redemptions not executed on such a Valuation Day will then be executed by priority on the next Valuation Day.

Incentive fee

Due to the specific nature of the UCIs in which the Sub-Fund invests, many may pay performance fees. Under these arrangements the managers will benefit from the appreciation, including any unrealized appreciation, if the value of the assets under their management increases, but they may not similarly be penalized for realized losses or decreases in the values of such assets. Further, because several, if not all managers may be paid in performance fees, it is possible that in a given year such fees will be paid whereas the total NAV per unit of the Sub-Fund decreases.

Leverage

Certain UCIs in which the Sub-Fund invests, operate with substantial degree of leverage and are not limited in the extent to which they either may borrow or engage in margin transactions. The positions maintained by such UCIs may in aggregate value be in excess of the NAV of the Sub-Fund. This leverage presents the potential for a higher rate of total return but also increases the volatility of the Sub-Fund, including the risk of a total loss of the amount invested.

Short sales

The UCIs in which the Sub-Fund invests may engage in short selling of securities which may expose the portion of the UCIs assets committed to such activities to unlimited risk due the lack of an upper limit on the price to which a security may rise. However, to the extent that the Sub-Fund participates in short selling activities through a UCI, the Sub-Fund's losses will be limited to the amount invested in the particular UCI.

Absence of custodian banks

Some of the UCIs to which the assets of the Sub-Fund are allocated may have a broker as a custodian instead of a bank. In certain cases these brokers may not have the same capacities, size and credit rating as a bank. In addition, contrary to custodian banks in regulated environments, these brokers will perform only safekeeping functions with no statutory supervisory obligations.

Nature of the investments of the Sub-Fund

Although the Portfolio Manager seeks to monitor investments and trading activities of the UCIs to which the Sub-Fund has allocated assets, investment decisions are normally made independently at the level of such UCI and it is possible that some managers will take positions in the same security or in issues of the same industry or country or in the same currency or commodity at the same time. Consequently, the possibility also exists that one UCI purchases an instrument at about the same time as another UCI decides to sell it. There is no guarantee that the selection of the managers will actually result in a diversification of investment styles and that the positions taken by the underlying UCIs will always be consistent.

The assets of the Sub-Fund may also be allocated to UCIs whose primary investment strategies include speculative trading of commodities futures and/or financial futures contracts and currencies. Commodity and currency futures prices can be highly volatile because of the low margin requirements in futures trading. An extremely high degree of leverage is typical for futures trading accounts. As a result, a relatively small price movement in a futures contract may result in substantial losses or gains to the investor. Similarly some of the UCIs may have the majority of their assets invested in options and other geared instruments,

where a relatively small price movement in the underlying security or commodity may result in substantial losses or profits.

There are only very limited constraints on the investment strategies and techniques that can be employed by the managers. Furthermore, each UCI in which the Sub-Fund invests has its own investment policy as set forth in its own prospectus.

As a result of its diversified investments, the Sub-Fund may incur other risks, including currency exchange risks in respect of assets held in other currencies, tax risks in respect of assets invested in other jurisdictions, political risks relating to political, social and economic factors which may affect the assets of the UCIs in which the Sub-Fund invests, which are held in countries which may be subject to economic difficulties, political or social unrest.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved. Prospective investors should read the entire Prospectus and fully evaluate all other information that they deem to be necessary for determining to invest in the Sub-Fund. Prospective investors should ensure that they fully understand the content of this Prospectus.

B. Sustainability Risks

The assessment and likely impacts of Sustainability Risks on the returns of the Fund

Due to the nature of the Fund's investment strategy and types of securities it holds, the Fund is exposed to varied Sustainability Risks which include, but are not limited to:

- corporate governance malpractices (e.g. board structure, executive remuneration);
- shareholder rights (e.g. election of the likely directors, capital amendments);
- changes to regulation (e.g. greenhouse gas emissions restrictions, governance codes);
- physical threats (e.g. extreme weather, climate change, water shortages);
- brand and reputational issues (e.g. poor health & safety records, cyber security breaches);
- supply chain management (e.g. increase in fatalities, lost time injury rates, labour relations); and
- work practices (e.g. observation of health, safety and human rights provisions).

Assets held by the Fund may be subject to partial or total loss of value because of the occurrence of a Sustainability Risk due to fines, reduction of demand in the asset's products or services, physical damage to the asset or its capital, supply chain disruption, increased operating costs, inability to obtain additional capital, or reputational damage.

ACCORDINGLY, INVESTMENT IN THE UNITS OF THIS SUB-FUND IS ONLY APPROPRIATE FOR INVESTORS WHO ARE WILLING TO ACCEPT THE RISKS AND REWARDS STEMMING FROM SUCH AN APPROACH.

B. Risks relating to the investment in all type of investment fund

Fee structure

The Sub-Funds incur the costs of the fees paid for the services of the Management Company and AIFM and the Depositary and other service providers as well as a pro rata portion of the fees paid by the UCIs in which the Sub-Fund invests to their manager or other service providers. As a result the operating expenses of the Sub-Fund may constitute a higher percentage of the NAV than could be found in other investment schemes. Further, some of the strategies employed at the level of the UCIs require frequent changes in trading positions and a consequent portfolio turnover. This may involve brokerage commission expenses to exceed significantly those of other investment schemes of comparable size.

Potential investors should be aware that the fees payable to the Management Company and AIFM are in addition to the fees paid by the invested UCIs to the manager and that there may be a duplication of fees. There may also be a duplication of subscription and/or redemption fees.

Conflicts of interests

Generally there may be conflicts of interests between the best interests of the Sub-Fund and an interest of the Portfolio Manager and its affiliates and the Directors to generate fees, commissions and other revenues.

In the event that such a conflict of interests arises, FundRock Management Company S.A. will endeavour to ensure that it is resolved in the best interests of the Sub-Fund.

SECTION IV - Due Diligence process

The due diligence process can be divided into two separate and distinct categories: qualitative and quantitative analysis.

Qualitative analysis

This process allows for the development of what may be considered a manager profile. It is a result of thorough assessment of the academic and professional history of the manager, principals and other key members of the UCI. In particular, past investment success is scrutinised to determine the likelihood of future achievement. The primary elements considered are the overall strategy, consistency in application, flexibility or constraints based on market sector, liquidity and diversification of the portfolio.

Organisational issues such as corporate governance, independent process, operational integrity and methodological robustness are all vital factors in the determination of structural or non-investment risk. The organisation of the UCI itself is also a reflection of the structural strengths and efficiencies. Roles and relationships of each intervening institution i.e., administrator, auditor, custodian, legal advisors are therefore critical and must be evaluated individually.

Qualitative analysis by definition entails a great deal of personal contacts and relationship-building. Any potential conflict of interest is mitigated through intimate knowledge of management styles, techniques and personalities. Experience and relationships also allow for the establishment of a check and balance system among peers by way of a professional network.

Quantitative analysis

This process involves the comparative measurement of managers to their own track records, those of their peers, and the overall results of the markets they deal in. Many statistical factors are taken into consideration to determine the risk-reward profiles of investments strategies, the correlation between managers and markets, as well as style analysis across sectors. Technical factors including use of leverage or derivatives also contribute to the general application of a particular investment style.

Quantitative analysis is a process which attempts to take historical data and project probabilities of future results. This process while having inherent limitations provides valuable insight in the composition of a multi-product portfolio. The ability to identify trends or other characteristics in relation to market movements is an important factor in building a portfolio which reduces risk and increases returns over time.

The active management of a multi-product portfolio requires both reliable data and practical experience to appropriately allocate resources while mitigating associated risk. Generation of statistical models, ratios and risk parameters provides essential insight into investment alternatives. The effective application of this information with respect to mechanical and market constraint, however, cannot be dissociated from the depth of knowledge provided through extensive experience. The combination of both quantitative and qualitative analysis is critical to the successful implementation of any multi-manager product.

SECTION V - Rights of the unit holders

By acquiring units, the unit holder accepts all the terms and conditions of the Management Regulations.

The assets of each Sub-Fund constitute the joint and undivided property of the unit holders of that Sub-Fund. Each unit holder has in the portion of assets relating to a Sub-Fund, an undivided interest in

proportion to the units he owns in that Sub-Fund. With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.

As stated in the "Redemption" Section, and in accordance with the Management Regulations, the unit holder has the right to obtain repayment of his units at the redemption price on each Valuation Day.

The Management Regulations do not provide for the holding of general meetings of unit holders.

SECTION VI - Management and Organisation

The AIFM and Management Company

Elite Fund is managed on behalf of the unitholders by FundRock Management Company S.A.

FundRock Management Company S.A., authorised as a management company under the provisions of Chapter 15 of the 2010 Law and as an AIFM in accordance with Chapter 2 of the 2013 Law, was incorporated on 10 November 2004 as a public limited company (*société anonyme*) under the laws of Luxembourg and its duration is unlimited. It has its registered office at 33, rue de Gasperich, L-5826 Hesperange, Luxembourg. The subscribed and paid-in capital of FundRock Management Company S.A. is EUR 10,000,000. The last amendment of the Management Company's Articles of Incorporation was published on 31 March 2016.

In order to cover potential liability risks resulting from professional negligence, the AIFM holds appropriate additional own funds in accordance with the provisions of the 2013 Law.

The accounts of the Management Company are audited by an independent authorised auditor. This task has been entrusted to Deloitte Audit Sàrl .

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

FundRock Management Company S.A. is subject to the provisions of Chapter 15 of the 2010 Law and is authorized as alternative investment fund manager in accordance with Chapter 2 of the 2013 Law. In addition, the AIFM also manages other undertakings for collective investment including alternative investment funds.

Pursuant to the Management Regulations, the AIFM has the exclusive right to manage the Fund for the account and in the exclusive interest of the unitholders. The AIFM has responsibility for managing the Fund in accordance with the Prospectus and the Management Regulations, Luxembourg law and other relevant legal requirements.

The AIFM pursuing itself investment management activities in relation to the Fund is also responsible for implementing the Fund's investment strategy subject to the risk diversification rules and investment restrictions set out in this Prospectus as well as Article 2 of the Management Regulations.

The Management Regulations require the AIFM or its delegate, in case applicable, to manage the Fund with the same degree of care as would be expected of an absolute owner having particular regard to the quality and financial standing of the customers.

The AIFM may from time to time, under its own responsibility, appoint one or several investment advisors respectively an investment committee to advise it in relation to the management of the assets of the Fund. The appointment of one or more investment advisors will not lead to an increase of expenses for the Fund.

In case of the appointment of any such investment advisors by the AIFM, it shall exercise reasonable care in the selection and supervision of the relevant investment advisors.

The AIFM is also responsible for selecting, if applicable, the Central Administration, the Depositary, the Paying Agent, the Administrative Agent, the Registrar and Transfer Agent and any other agents/service providers.

The AIFM shall be liable for the acts or omissions of its directors, the Portfolio Manager and any other agents it shall appoint to perform the AIFM functions under the Management Regulations as if such acts or omissions were those of the AIFM.

Pursuant to Article 3 of the Management Regulations, the AIFM may, under its own responsibility, control and coordination, transfer some of its tasks to third parties for the purpose of efficient management. Any transfer of the task, as applicable, is described hereafter.

FundRock Management Company S.A. will be paid, for its services as AIFM and Management Company, out of the Fund's net assets, a fee at such frequency and at such rate as determined in this Prospectus.

The Portfolio Manager has full authority, without the need for prior reference to the AIFM or any third party, to manage the Sub-Fund and the securities' portfolio and other assets of the Sub-Fund, all in accordance with the investment objectives, policy and restrictions, as laid down in the present Prospectus.

In accordance with Annex I of the 2013 Law, the AIFM performs investment management activities (i.e. portfolio and risk management). In addition, the AIFM performs administrative duties (including in particular valuation and pricing, the maintenance of the unitholders' register and the issue and redemption of units), marketing and other activities related to the assets of the Fund, if applicable the AIFM's rights and duties are governed by the 2013 Law.

In accordance with Part II of the 2010 Law as well as the 2013 Law and following approval by the Luxembourg supervisory authority (Commission de Surveillance du Secteur Financier, "**CSSF**"), the AIFM, delegated the aforementioned as follows:

The central administration duties will be performed by FundRock Management Company S.A. (the "**Central Administration**"). The Central Administration may sub-delegate a part or all of its duties to one or more third parties. The Administrative Agent, Registrar and Transfer Agent function was entrusted by FundRock Management Company S.A. to European Fund Administration S.A.

The portfolio management shall be performed by Skandinaviska Enskilda Banken AB (publ).

The distribution of the Fund's units shall be performed by Skandinaviska Enskilda Banken AB (publ).

The Portfolio Manager

Skandinaviska Enskilda Banken AB (publ) has been appointed as Portfolio Manager of the Fund pursuant to a portfolio management agreement (the "**Portfolio Management Agreement**") entered into between the AIFM and Skandinaviska Enskilda Banken AB (publ).

Skandinaviska Enskilda Banken AB (publ) was incorporated pursuant to the laws of Sweden and is subject to supervision by the Swedish financial regulator (Finansinspektionen).

Pursuant to the terms of the Portfolio Management Agreement, the AIFM has delegated to the Portfolio Manager the portfolio management functions in relation to the Fund, under its supervision and responsibility.

The Portfolio Manager may from time to time, under its own responsibility, appoint one or several investment advisors respectively an investment committee to advise it in relation to the management of the assets of the Fund. The appointment of one or more investment advisors will not lead to an increase of expenses for the Fund. In case of the appointment of any such investment advisors by the Portfolio Manager, the Portfolio Manager shall exercise reasonable care in the selection and supervision of the

relevant investment advisors.

Administrative Agent, Registrar and Transfer Agent

The Central Administration has delegated, at its own expense, all administrative duties relating to the administration of the Fund, including the registrar and transfer agent functions to European Fund Administration S.A. (the "**Administrative Agent, Registrar and Transfer Agent**"), a company incorporated in Luxembourg as a "*société anonyme*" and registered with the Luxembourg Trade and Companies' Register under Corporate Identity Number B 56 766. The Administrative Agent will carry out all administrative duties related to the administration of the Fund, including the calculation of the Net Asset Value of the units and the provision of accounting services to the Fund. Furthermore, the Registrar and Transfer Agent will process all subscriptions, redemptions and transfers of units and will register these transactions in the register of the Fund.

The European Fund Administration S.A. may, subject to the approval of the Central Administration and the subsequent update of the Prospectus, as required, sub-delegate parts of its functions to entities, all in accordance with Luxembourg laws and regulations.

Depositary and Paying Agent

Pursuant to a depositary and paying agent agreement dated 31 December 2019 (the "**Depositary Agreement**") Société Générale Luxembourg is the Fund's depositary and paying agent (the "**Depositary**").

The Depositary will assume its functions and responsibilities in accordance with article 19 of the 2013 Law and articles 83 to 102 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 ("**AIFM Regulation**"). The relationship between the Fund and the Depositary is subject to the terms of a depositary and paying agency agreement entered into for an unlimited period of time (the Depositary Agreement). Each of the Fund and the Depositary may terminate this agreement upon a three (3) months' prior written notice.

In accordance with the 2013 Law, and pursuant to the Depositary Agreement, the Depositary carries out, inter alia, the safekeeping of the assets of the Fund, the monitoring of the cash flows and the monitoring and oversight of certain tasks of the Fund. In the fulfilment of its duties, the Depositary is liable as provided for by the 2013 Law and any other applicable Luxembourg laws and regulations.

The Fund's assets may be deposited with delegates of the Depositary under the conditions stipulated in the Depositary Agreement. The Depositary's liability shall not be affected by the fact it has entrusted some of the assets in its custody to a third party and such delegation shall comply with the requirements of the 2013 Law. The Depositary may be discharged from its liability as described in the Depositary Agreement. In case of termination of the Depositary Agreement, a new depositary shall be appointed. Until it is replaced, the resigning or, as the case may be, removed depositary shall take all necessary steps for the safeguard of the interests of the Unitholders.

The Depositary is a wholly-owned subsidiary of Société Générale, a Paris-based credit institution. The Depositary is a Luxembourg public limited company registered with the Luxembourg trade and companies register under the number B 6061 and whose registered office is situated at 11, avenue Emile Reuter, L-2420 Luxembourg. Its operational center is located 28-32, place de la Gare, L-1616 Luxembourg. It is a credit institution in the meaning of the law of 5 April 1993 relating to the financial sector, as amended. In order to avoid conflicts of interest within Société Générale Luxembourg, in its capacities as Depositary and as Administrative Agent, Société Générale Luxembourg has functionally and hierarchically separated the performance of its depositary function from its tasks as Administrative Agent and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Unitholders of the Fund.

The Depositary is not responsible for any investment decisions of the Fund or of one of its agents or the effect of such decisions on the performance of a relevant Sub-fund.

In addition, Société Générale Luxembourg will act as the Fund's principal paying agent. In that capacity, Société Générale Luxembourg will have as its principal function the operation of procedures in connection with the payment of distributions and, as the case may be, redemption proceeds on the Units of the Fund.

Auditor

The accounts of the Fund are audited by an independent authorised auditor. This task has been entrusted

to PricewaterhouseCoopers, *société cooperative*, 2, rue Gerhard Mercator, L-2182 Luxembourg (the "**Auditor**"). The Auditor must carry out the duties provided by the 2010 Law and by the 2013 Law. In this context, the main mission of the Auditor is to audit the accounting information given in the annual report. The Auditor is also subject to certain reporting duties vis-à-vis the regulators as more fully described in the 2010 Law and in the 2013 Law.

SECTION VII - Investors' rights against service providers

Unitholders shall not have any direct contractual rights against the Portfolio Manager, the Depositary, the AIFM, the Administrative Agent, the Transfer and Registrar Agent and the Auditor or any other third party service providers who have entered or will enter, from time to time, into a contractual relationship with the Fund or the AIFM.

In accordance with the 2010 Law and the 2013 Law, liability of the Depositary to unitholders shall be invoked through the AIFM or the Management Company. Should the AIFM or Management Company fail to act despite a written notice to that effect from a unitholder within a period of three months following receipt of such notice, that unitholder may directly invoke the liability of the Depositary.

SECTION VIII - Procedure for amending the Prospectus

Without prejudice to what may be required by applicable laws and regulations, by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") and/or by the Management Regulations, any amendment to the Prospectus may be decided and implemented via any of the procedures described below.

Any amendment to the Prospectus is in principle decided by a simple resolution of the board of directors of the Management Company (as appointed from time to time, the "**Board of Directors**"). As a matter of illustration only, non-material amendments or changes (as those listed below) are typical amendments which will be adopted by a simple resolution of the Board of Directors of the Management Company having immediate or even, as the case may be, retroactive effect.

Without prejudice to the generality of the foregoing paragraph, the Fund may convey a material change of its investment strategy or investment policy or both, by a resolution of the Board of Directors of the Management Company provided the unitholders concerned by the change are awarded a minimum 30 calendar day notice period during which they may redeem the Units concerned by the change free of redemption charge. For the avoidance of doubt, any non-material change to the Funds' investment strategy or investment policy, or both, may be adopted by a simple resolution of the Board of Directors of the Management Company having immediate or even, as the case may be, retroactive effect.

Investors are reminded that subscription for or acquisition of one or more Units implies their complete and automatic adherence to the fact that any amendment conveyed to the Prospectus following any of the above acceptable and validly implemented procedures shall bind and be deemed approved by all investors.

Information on any material or essential amendment or change conveyed (or as the case may be in the process to be conveyed) to the Prospectus shall be made available or disclosed at the registered office of FundRock Management Company S.A. until this amendment or change is incorporated to this core document.

SECTION IX – The Issue of Units

Subscription of Unit classes

The Management Company shall be authorised, without limitation and at any time, to issue "C" and "D" units of no par value in respect of all Sub-Funds at the respective NAV per unit, plus an issue commission

of maximum 5% of the NAV per unit of the relevant class, without granting to existing unit holders a preferential right to subscribe for the units to be issued. Such issue commission reverts to the distributors.

A unit holder's initial subscription must be for a minimum amount equivalent to SEK 10.000,-. For subsequent subscriptions or holdings, no minimum is required.

The "D" units will pay a dividend to its holders, whereas the "C" units will capitalise income with the result that their value will constantly be greater than that of the "D" units, in the proportion of the dividends paid to "D" units.

Dividends are paid annually, except for those Sub-Funds where the Management Company decided a monthly, quarterly or semi-annual dividend payment.

Unit holders have the right to convert their units of one class into units of another class pursuant to the principles described in the "Conversion" paragraph.

Fractional Units may be issued up to three decimals of a Unit.

Currently Elite Fund – Star Choice issues the following unit classes:

C (SEK) unit class with ISIN LU0166035112

D (SEK) unit class with ISIN LU0166035203

The subsequent offering

Units are issued on each Valuation Day in registered form only. At the time of subscription of units in a Sub-Fund, a unit holder account is opened in the investor's name in the books of that Sub-Fund. This account is credited for units purchased by the investor. Whenever a transaction is registered the unit holder will receive a statement of his account.

Payment for subscriptions of the Sub-Fund Elite Fund-Star Choice must be made in SEK, which is the Base Currency of the Sub-Fund.

The payment made by electronic transfer must reach the Registrar and Transfer Agent within 5 Bank Business Days, following the applicable Valuation Day.

Confirmation of the execution of a subscription will be made by the dispatch of an advice to the unitholder indicating the name of the Sub-Fund, the number and class of units subscribed for, and the relevant NAV. The Depositary shall immediately pay back incoming payments for applications for subscriptions which are not carried out.

By purchasing a unit, the unitholder accepts the Management Regulations and all approved changes to them.

The Management Company may agree to issue units as consideration for a contribution in kind of securities to any investor who agrees, in compliance with the conditions set forth by the Management Company, in particular the obligation to deliver a valuation report from the Auditor of the Fund ("*réviseur d'entreprises agréé*") which shall be available for inspection, and provided that such securities comply with the investment objectives, policies and restrictions of the relevant Sub-Fund. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant investor. Units of the respective classes will be issued at their respective NAV against the contribution in kind valued this way.

In case of a merger with another collective investment undertaking, the subscription price may be paid by contribution in kind of all assets and liabilities of the absorbed Fund, valued pursuant to the rules described

in the section on "NAV" below. Units of the respective classes will be issued at their respective NAV against the contribution in kind valued this way.

SECTION X - Redemption

Units are redeemed, on each Valuation Day at their NAV. Owners of units may request redemption of their units at any time. To do so, they must send an irrevocable request in writing for redemption to one of the sales agents, which will transmit the order to the Registrar and Transfer Agent for execution.

The Management Company reserves the right to reduce proportionally parts or all requests for redemption in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the units so tendered for redemption exceeds 10% of the total net assets of that specific Sub-Fund. Redemptions thus not executed will be met on a pro-rata basis in priority to later requests and in compliance with the principle of equal treatment of unitholders.

Confirmation of the execution of redemption will be made by the dispatch to the unit holder of an advice. For the Sub-Fund Star Choice, the payment will be made by bank transfer in SEK, the Base Currency of the Sub-Fund or in other major currencies subject to the approval of the Management Company. The relating foreign exchange costs have to be borne by the investor. Electronic transfer will be made with a value date within ten Bank Business Days following the corresponding Valuation Day.

No redemption fee will be levied. However, in relation to suspected market timing practices, the Management Company may charge an additional redemption fee of up to 2% of the NAV of the units redeemed within 6 months of their issue. Such redemption fee will be payable to the relevant Sub-Fund or unit class. The same redemption fee for every redemption request executed on the same valuation day will be applicable if the redemption is based on market timing in order to ensure the equal treatment of investors.

Redemption of units may, at the sole discretion of the Management Company and with the consent of the unit holders concerned, be made in specie by allocating to the unit holders investments from the portfolio equal in value to the value of the units to be redeemed. The nature and type of the assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the

other unit holders of the relevant Sub-Fund and the calculation used shall be confirmed by a special report of the Auditor of the Fund. The costs of any such transfers shall be borne by the transferee.

All redeemed units are cancelled.

The Depositary or the Paying Agent is only obliged to make payments for redemptions where legal provisions, particularly exchange control regulations or other cases of force majeure do not prohibit it from transferring or paying the redemption proceeds in the country where the redemption is requested.

SECTION XI - Conversion of units

Unless otherwise provided for in the section relating to "Sub-Funds", a unitholder may convert all or part of the units he holds in a Sub-Fund into units in another Sub-Fund or units of one class into units of another class.

Conversions are executed free of commission, but the Management Company may levy a fee to cover costs and expenses related to the conversion. The fee will in no event exceed 1% of the conversion amount.

In case of the conversion, the number of units allotted in a new Sub-Fund or in the new class is determined by means of the following formula:

$$\frac{(A \times B \times C) - \text{fee}}{D} = N$$

where:

A is the number of units presented for conversion,

B is the NAV of one unit in that Sub-Fund and/or of that class of which the units are presented for conversion, on the day the conversion is executed,

C is the conversion factor between the base currencies of the two Sub-Funds on the day of execution. If the Sub-Funds or the two classes of units have the same Base Currency, this factor is one,

D is the NAV per unit of the new Sub-Fund and /or class on the day of execution,

N is the number of units allotted in the new Sub-Fund and/or class.

SECTION XII - Restriction on ownership of units

Units may not be offered, sold or otherwise distributed to prohibited persons (the "**Prohibited Persons**").

Prohibited Persons means any person, firm or corporate entity, determined in the sole discretion of the Management Company, as being not entitled to subscribe to or hold Units:

- 1) if in the opinion of the Management Company such holding may be harmful/damaging to the Fund,
- 2) if it may result in a breach of any law or regulation, whether Luxembourg or foreign,
- 3) if as a result thereof the Fund or the Management Company may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred or
- 4) if such person would not comply with the eligibility criteria for Units (e.g. in relation to "U.S. Persons" as described below).

The Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "**Investment Company Act**"). The units of the Fund have not been and will not be registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") or under the securities laws of any state of the US and such units may be offered, sold or otherwise transferred only in compliance with the Securities Act of 1933 and such state or other securities laws. The units of the Fund

may not be offered or sold within the US or to or for the account, of any US Person. For these purposes, US Person is as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to investors other than individuals, (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term "US Person" also means any entity organised principally for passive investment (such as a commodity pool, Investment Company or other similar entity) that was formed:

(a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by "accredited investors" (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

Applicants for the subscription to units will be required to certify that they are not US Persons and might be requested to prove that they are not Prohibited Persons.

Unitholders are required to notify the Registrar and Transfer Agent of any change in their domiciliation status.

Prospective investors are advised to consult their legal counsel prior to investing in units of the Fund in order to determine their status as non US Persons and as non-Prohibited Persons.

FundRock Management Company S.A. may refuse to issue units to Prohibited Persons or to register any transfer of units to any Prohibited Person. Moreover FundRock Management Company S.A. . may at any time forcibly redeem/repurchase the units held by a Prohibited Person.

FundRock Management Company S.A. can furthermore reject an application for subscription at any time at its discretion, or temporarily limit, suspend or completely discontinue the issue of units, in as far as this is deemed to be necessary in the interests of the existing unitholders as an entirety, to protect FundRock Management Company S.A., to protect the Fund, in the interests of the investment policy or in the case of endangering specific investment objectives of the Fund.

SECTION XIII – Charges and Expenses

The Fund will bear the following costs:

- 1) a management fee, payable to the AIFM, as specified hereinafter under the section "Fees of the AIFM". Such commission is being payable at the end of each month and based on the average net assets of the Sub-Fund calculated daily for the relevant month;
- 2) a performance fee, if any, payable to the AIFM. The applicable amount and the way it is calculated are described hereinafter;
- 3) all taxes owed on the Fund's assets and income;
- 4) bank and brokerage fees for transactions in securities making up the Fund's portfolio as well as fees on transfers referring to redemptions of units;
- 5) an appropriate portion for fees and legal costs inherent to the promotion and the offer of the Fund's units (including any information or documentation that may be required for the

distribution of the Fund's units), and including printing of marketing material, web-pages and related matters.

All other costs and expenses are not to be borne by the Fund.

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

The specific fees and expenses of each Sub-Fund are payable by that Sub-Fund. All other fees and expenses shall be shared by all the Sub-Funds in proportion to their net assets at that time or in such other manner as determined by the AIFM acting in good faith.

Fees of the AIFM

In consideration for its management services related to the Fund, the AIFM is entitled to receive out of the assets of the respective classes the following management fee:

Class C: max. 0.80% p.a.

Class D: max. 0.80% p.a.

The above fee includes the fees payable to the Administrative Agent, the Registrar and Transfer Agent, to the Depositary as well as to the Portfolio Manager.

The fee will be accrued on a daily basis, based on the average net assets of the respective unit class and will be paid out monthly in arrears.

SECTION XIV – Calculation of the NAV

In order to calculate the ("**NAV**") per unit, the value of the assets belonging to the Fund less its liabilities is calculated on each Valuation Day and the result is divided by the number of the units issued.

For the valuation of the Fund's assets, the following principles are observed:

- 1) Calculation is done on the basis of the last stock exchange prices available. Securities quoted on an official Stock Exchange or any other regulated market, which operates regularly and is recognised and open to the public, are valued on the basis of the last known price, and, if there are several markets, the last known price of the stock exchange which is the principal market for the security in question, unless these prices are not representative.

For unquoted securities, and for quoted securities, but for which the last known price is not representative, valuation is based on the probable sales value estimated prudently and in good faith.

- 2) The value of the units or shares of investment funds shall be based on the last available NAV.
- 3) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interests declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- 4) Money market instruments may be valued at the respective market values as estimated by the AIFM in good faith and in line with generally recognised valuation principles which are also verifiable by the Auditor of the Fund.
- 5) Liquid assets are assessed at their face value plus accrued interest.
- 6) The liquidating value of futures, forward and option contracts traded on U.S. exchanges or on other markets which operate regularly and are recognised and open to the public in the United States shall be based upon the last available settlement prices of these contracts on exchanges and such markets on which the particular futures, forward and option contracts are traded by the Fund. The

liquidating value of futures, forward and option contracts not traded on U.S. exchanges shall mean their liquidating value determined, pursuant to policies established by the AIFM, on a basis consistently applied for each different variety of contract.

Provided that if a contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the AIFM may deem fair and reasonable.

Assets denominated in other currencies than the Base Currency of the sub-fund will be converted into that Base Currency at the average rate of the last known bid and offer rates.

- 7) In as far as several unit classes have been established according to the Management Regulations, the following particularities arise for the unit valuation:
- a) The NAV calculation is made separately for each unit class according to the criteria mentioned under points (1) – (6) of this article.
 - b) The inflow of funds due to the issue of units, increases the percentage portion of the respective unit class on the total value of the respective sub-fund's net assets. The outflow of funds due to the redemption of units reduces the percentage portion of the respective unit class on the total value of the respective sub-fund's net assets.
 - c) In the case of distribution, the NAV of the units entitled for distribution of the appropriate unit class is reduced by the amount of the distribution. Therefore, at the same time, the percentage portion of this unit class is reduced in the total value of the respective sub-fund's net assets, while the percentage portion of unit classes not entitled for distribution increases the total respective sub-fund's net assets.
- 8) Equalisation of income may be carried out for the fund.

The AIFM is authorised to adopt other realistic valuation principles for the assets of the Fund when circumstances make the determination of values according to the criteria specified above non-realistic, impossible or inadequate. Especially in case of major changes in market conditions, the valuation basis of the different investments may be adjusted to the new market yields.

SECTION XV - Cut-off time

All subscription, redemption and conversion orders are made on the basis of the unknown NAV per unit. Unless otherwise specified orders received by the Registrar and Transfer Agent before 15:30 (CET) on a Valuation Day are processed on the basis of the NAV per unit on that Valuation Day. Orders received after 15:30 (CET), are processed on the basis of the NAV per unit on the next Valuation Day.

In order to ensure a placement of orders in due time, earlier cut-off times may be applicable for orders placed with distributors (or/and any of their agents) in Luxembourg or abroad. The corresponding information may be obtained from the respective distributor (or/and any of its agents).

SECTION XVI - Anti-money laundering procedures

The applicants wanting to subscribe units of the Fund must provide the Registrar and Transfer Agent with all necessary information, which the Registrar and Transfer Agent may reasonably require to verify the identity of the applicant. Failure to do so may result in the Registrar and Transfer Agent refusing to accept the subscription for units in the Fund. Applicants must indicate whether they invest on their own account or on behalf of a third party. Except for applicants applying through companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, any applicant applying in its own name or applying through companies established in non FATF countries, is obliged to submit to the Registrar and Transfer Agent in Luxembourg all necessary information, which the Registrar and Transfer Agent may reasonably require to verify. The Registrar and Transfer Agent must verify the identity of the applicant. In the case of an applicant acting on behalf of a third party, the Registrar and Transfer Agent must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Registrar and

Transfer Agent prior to the occurrence of any change in the identity of any such beneficial owner.

Register of Beneficial Owners

Any natural person who ultimately owns or controls the Company through direct or indirect ownership of more than 25% of the Shares of the Company or voting rights in the Company, or through other means of control (for the purpose of this section, the "Beneficial Owner"), must be registered on behalf of the Company as a Beneficial Owner in the register of beneficial ownership as provided for by the Luxembourg Law of 13 January 2019 setting up a register of beneficial owners (the "RBO Law"). Any such Beneficial Owner is obliged by the RBO Law to provide the Company and the Management Company with such further information as may be required by the Company in order to comply with the RBO Law.

SECTION XVII - Late trading and market timing

FundRock Management Company S.A. does not permit late trading, market timing or related excessive, short-term trading practices. In order to protect the best interests of the unitholders FundRock Management Company S.A. reserves the right to reject any application to subscribe for units from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it, in its discretion, may deem appropriate or necessary, such as the charge of higher redemption fee, as laid down in the Section "Redemption" above.

SECTION XVIII - Suspension of calculation of a NAV, subscriptions, redemptions and conversions

The AIFM is authorised to suspend temporarily the calculation of the NAV and the Management Company is authorised to suspend temporarily the issue, conversion and redemption of units in one or several sub-funds in the following cases:

- 1) where one or several securities or exchange markets forming the basis of valuation of a major part of the sub-fund's assets are closed for periods other than legal holidays, or where transactions are suspended or subject to restrictions;
- 2) where the exchange market(s) forming the basis of the valuation of major percentage of a sub-fund's assets is (are) closed for legal holidays;
- 3) where the political, economic, military, monetary or social circumstances or any case of force majeure, beyond the responsibility or power of the AIFM make it impossible to dispose of the sub-fund's assets by reasonable and normal means, without causing serious prejudice to unit holders;
- 4) in case where, for any reason, the value of any investment of the Fund cannot be known with sufficient speed or accuracy;
- 5) where restrictions on exchange or capital movements prevent the execution of transactions on behalf of the Fund or when purchase or sale transactions of the Fund's assets cannot be carried out at normal exchange rates.

In case of a suspension for reasons as stated above for a period of more than six days, a notice to unit holders will be published in conformity to the stipulations of the Management Regulations.

SECTION XIX - Publications

The last known issue and redemption prices as well as all other information for unitholders may be requested at any time from the registered offices of FundRock Management Company S.A., the Depositary and the Paying Agents.

In addition, the issue and redemption prices are made available to investors in a form permitted by laws or related regulations of the countries, where units of the Fund are sold.

SECTION XX - Quotation

The units of the Fund will not be quoted on the Luxembourg Stock Exchange.

SECTION XXI - Financial servicing

The financial servicing for the Fund is provided by the Depositary, which is assisted by the establishments mentioned heretofore, where information concerning the Fund may also be obtained.

SECTION XXII - Taxation of the Fund and the Unitholders

The following summary is based on the laws and practices currently in force and is subject to any future changes. The following information is not exhaustive and does not constitute legal or tax advice.

It is expected that unitholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Units in the Fund. These consequences will vary in accordance with the law and practice currently in force in a unitholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. The Fund is subject to Luxembourg legislation. Buyers of the Fund's units should inform themselves about the legislation and rules applicable to mergers, the purchase, holding and possible sale of units with regard to their residence or nationality.

In accordance with current legislation in Luxembourg, neither the Fund nor the unitholders, except those whose domicile, residence or permanent establishment is Luxembourg, are subject to any tax on income or capital gains. The Fund's income may however be subject to withholding tax in the countries where the Fund's assets are invested. In such cases neither the Depositary nor the Management Company is required to obtain tax certificates.

The net assets of the Fund are subject to a Luxembourg tax at an annual rate of 0.05% payable at the end of each quarter and calculated on the amount of the net assets of each Sub-Fund at the end of that quarter. Units of unit classes as defined in Article 174 of the 2010 Law ("I" institutional unit classes) are subject to a "*taxe d'abonnement*" of 0.01% p.a. The Management Company ensures that such institutional unit classes are only acquired by investors complying with rules set out in the afore-mentioned Article. The value of the assets represented by the shares/units held in other Luxembourg undertakings for collective investment already subject to a "*taxe d'abonnement*" is exempt from the payment of such tax.

Common Reporting Standard ("CRS")

The Fund is subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "**Standard**") and its Common Reporting Standard (the "**CRS**") as set out in the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (*loi relative à l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale*) (the "**CRS Law**").

The CRS Law is based on the European Directive 2014/107/EU of 9 December 2014 amending provisions of Directive 2011/16/EU on administrative cooperation in the field of taxation and the OECD's multilateral agreements. Further, the first reporting to the Luxembourg tax authority (the "**LTA**") under the CRS Law, will be applied in 2017 for the calendar year 2016. The LTA will onward report to participating foreign tax authorities by 30 September 2017.

The intention of CRS is to safeguard against tax evasion. Accordingly, under the terms of the CRS Law, the AIFM, on behalf of the Fund, is likely to be treated as a Luxembourg Reporting Financial Institution. Consequently, the AIFM, on behalf of the Fund, is required to collect personal and financial information as described in Annex I of the CRS Law with effect from 1 January 2016 and without prejudice to other

applicable data protection provisions as set out in the Fund documentation, the AIFM, on behalf of the Fund, will be required to annually report this information to the LTA as from 2017.

The AIFM's ability to satisfy, on behalf of the Fund, its reporting obligations under the CRS Law will depend on each investor providing the AIFM, on behalf of the Fund, with the information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, the AIFM, on behalf of the Fund, will process the information for the purposes as set out in the CRS Law. The investors undertake to inform the Fund or the AIFM, if applicable, of the processing of their Information by the AIFM, on behalf of the Fund.

The investors are further informed that the information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law.

The investors undertake to immediately inform the AIFM, on behalf of the Fund, of, and provide the AIFM, on behalf of the Fund, with all supporting documentary evidence of any changes related to the information after occurrence of such changes.

Any investor that fails to comply with the AIFM's Information or documentation requests, on behalf of the Fund, may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the information or subject to disclosure of the information by the AIFM, on behalf of the Fund, to the LTA.

If investors are in doubt, they should consult your tax advisor, stockbroker, bank manager, solicitor, account or other financial advisor regarding the possible implications of CRS on an investment in the Fund.

Foreign Account Tax Compliance Act ("FATCA")

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

This regime will become effective in phases between 1 July 2014 and 15 March 2018. Based on the Treasury Regulations §1.1471-§1.1474 issued on 17 January 2013 (the "**Treasury Regulations**") the Fund is a "Financial Institution". As a result of the Hire Act, and to discourage non-US Financial Institutions from staying outside this regime, on or after 1 July 2014, a Financial Institution that does not enter and comply with the regime will be subject to a US withholding tax of 30% on gross proceeds as well as on income from the US and, on or after 1 January 2017, also potentially on non-US investments.

Luxembourg has entered into a Model I Intergovernmental Agreement ("**IGA**") with the United States. Under the terms of the IGA, the AIFM, on behalf of the Fund, will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legislation implementing the IGA (the "**Luxembourg IGA legislation**"), rather than under the US Treasury Regulations implementing FATCA.

In order to protect unitholders from the effect of any penalty withholding, it is the intention of the AIFM, on behalf of the Fund, to be compliant with the requirements of the FATCA regime and hence, qualify as a so-called "participating financial institution" as defined in the IGA.

The AIFM, on behalf of the Fund, qualifies as a so-called "sponsored financial institution" as defined in the IGA. The Administrative Agent, Registrar and Transfer Agent qualifies as a so-called "sponsoring financial institution". The Administrative Agent, Registrar and Transfer Agent agrees to sponsor the Fund for the purpose and within the meaning of the IGA. The AIFM, on behalf of the Fund, intends to be so-called "non-reporting sponsored financial institutions" within the meaning of the IGA. In case the Fund would be subject to reporting obligations under the FATCA regulation, the Administrative Agent, Registrar and Transfer Agent will register the Fund as its sponsoring entity with the IRS and hence, the Administrative Agent, Registrar and Transfer Agent will comply as set out in article 2 and 4 as well as Annex II, Chapter IV, section A. 3 of the IGA in due time (i.e. not later than 90 (ninety) days after the reportable event has first been identified) with all due diligence, withholding, registration and reporting obligations on behalf of the Fund regarding certain holdings by and payments made to (a) certain US investors, (b) certain US controlled

foreign entity investors and (c) non-US financial institution investors that do not comply with the terms of the Luxembourg IGA legislation. Further, the Administrative Agent, Registrar and Transfer Agent will perform any requirements that the Fund would have been required to perform if it were a reporting Luxembourg financial institution as defined in the IGA. Under the Luxembourg IGA, such information will be onward reported by the Luxembourg tax authorities to the IRS under the general information exchange provisions of the US-Luxembourg Income Tax Treaty. The Administrative Agent, Registrar and Transfer Agent is required to monitor its own and the Fund's status as being a participating financial institution and a non-reporting entity on an ongoing basis and has to ensure that the Administrative Agent, Registrar and Transfer Agent and the Fund meet the conditions for such status over the time.

In cases where investors invest in the Fund through an intermediary or a distributor, investors are reminded to check whether such intermediary is FATCA compliant and hence, qualifies as a participating financial institution as defined in the IGA. In case any of the Fund's distributor should change its status as participating financial institution, such distributor will notify the AIFM within ninety (90) days from the change in status of such change and the AIFM is entitled a) to redeem all Units held through such distributor, b) to convert such Units into direct holdings of the Fund, or c) to transfer such Units to another nominee within six (6) months of the change in status. Further, any agreement with a distributor can be terminated in case of such change in status of the distributor within ninety (90) days of notification of the distributor's change in status.

Although the AIFM, on behalf of the Fund, will attempt to satisfy any obligations imposed on it to avoid the imposition of the US withholding tax, no assurance can be given that the AIFM, on behalf of the Fund, will be able to satisfy these obligations. If the AIFM, on behalf of the Fund, becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by the unitholders may suffer material losses.

Other jurisdictions currently are in the process of adopting tax legislation concerning the reporting of information. The AIFM, on behalf of the Fund, also intends to comply with such other similar tax legislation that may apply to the Fund, although the precise requirements are not fully known yet. As a result, the AIFM, on behalf of the Fund, may need to seek information about the tax status of investors under the laws of such jurisdictions for disclosure to the relevant governmental authorities.

If you are in any doubt, you should consult your tax advisor, stockbroker, bank manager, solicitor, accountant or other financial adviser regarding the possible implications of FATCA on an investment in the Fund.

Data Protection

Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained for and on behalf of the Fund will be processed by the Management Company (Controller) in accordance with the privacy policy which is available and can be accessed or obtained online (<https://www.fundrock.com/privacy-policy/>) . All persons contacting, or otherwise dealing directly or indirectly with the Controller are invited to read and carefully consider the privacy policy, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controller.

SECTION XXIII – Financial Year and Financial Reports

Financial Year

The Fund's financial year is the calendar year.

Financial Reports

The Fund will publish an annual report drawn up as per December 31 and a semi-annual report as per June 30.

The audited annual report shall be made available to unitholders free of charge at the registered office of FundRock Management Company S.A., within six months of the close of each accounting year. Unaudited semi-annual reports shall also be made available in the same way within three months of the end of the

accounting period to which they refer.

SECTION XXIV - Duration and liquidation of Sub-Funds and of the Fund

Duration and liquidation of Sub-Funds

Each Sub-Fund is created for an unlimited period. The Management Company may at any time decide upon the liquidation of one or more Sub-Funds, particularly in situations of a notable modification of the economic and/or political prevailing circumstances, or if the net assets of a Sub-Fund fall under a certain level to be determined by the Management Company which will not allow an efficient and rational management or in any other cases which will be in the unitholders' interest.

The decision of the Management Company to liquidate a Sub-Fund will be announced to unitholders in a form prescribed by relevant laws or regulations of the countries where the Units of the Sub-Fund are sold.

No application for subscription or conversion of Units into the Sub-Fund to be liquidated will be accepted after the date of the event leading to the dissolution and the decision to liquidate the Sub-Fund. If the equal treatment between unitholders is ensured, redemption requests may be treated.

Following the liquidation of the assets of the relevant Sub-Fund in the best interests of the unitholders, the Management Company will instruct the paying agent to distribute the proceeds of the liquidation, after deduction of liquidation costs, amongst the unitholders of the relevant Sub-Fund in proportion to their respective holdings.

The closure of the liquidation of a Sub-Fund and the deposit of any unclaimed amounts with the *Caisse de Consignation* in Luxembourg must take place within a period of time not exceeding nine months from the Board of Directors' decision to liquidate the relevant Sub-Fund. The liquidation proceeds deposited with the *Caisse de Consignation* in Luxembourg will be available to the persons entitled thereto for the period established by law. At the end of such period unclaimed amounts will revert to the Luxembourg State.

Liquidation and distribution of a Sub-Fund cannot be requested by a unitholder, his heirs or beneficiaries.

In case the net assets of a Sub-Fund drop down to zero due to redemption, the Management Company may decide that this Sub-Fund is closed without the need to entail the liquidation procedure.

Duration and liquidation of the Fund

The Fund is created for an unlimited period and can be dissolved at any time by decision of the Management Company if such dissolution appears necessary or expedient in consideration of the interests of the unitholders, in order to protect the interests of the Management Company.

Dissolution of the Fund is mandatory in the cases provided for by the 2010 Law.

The Management Company shall announce to investors any such dissolution of the Fund in a form prescribed by laws or related regulations of the countries where Units are sold.

No application for subscription or conversion of Units will be accepted after the date of the event leading to the dissolution and the decision to liquidate the Fund. If the equal treatment between unitholders is ensured, redemption requests may be treated.

The closure of the liquidation of the Fund and the deposit of any unclaimed amounts with the *Caisse de Consignation* in Luxembourg must take place within a period of time not exceeding nine months from the Board of Directors' decision to liquidate the Fund. The liquidation proceeds deposited with the *Caisse de Consignation* in Luxembourg will be available to the persons entitled thereto for the period established by law. At the end of such period unclaimed amounts will revert to the Luxembourg State.

Dissolution and distribution of the Fund cannot be requested by a unitholder, his heirs or beneficiaries.

SECTION XXV - Merger of Sub-Funds or merger with another UCI

The Board of Directors of the Management Company may resolve the cancellation of Units issued in the Fund or in any Sub-Fund and, after deducting all expenses relating thereto, the allocation of Units to be issued in another Sub-Fund of the Fund, or another undertaking for collective investment ("UCI"), subject to the condition that the investment objectives and policies of such other Sub-Fund or UCI are compatible with the investment objectives and policies of the Fund or of the relevant Sub-Fund, in the case where the value of the assets of the Fund or of the Sub-Fund affected by the proposed cancellation of its Units has decreased to an amount determined by the Management Company to be the minimum level for the Fund or for such Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation.

In such event, notice shall be made available to investors in a form permitted by laws or related regulations of the countries, where units of the Fund or of the Sub-Fund affected by the proposed cancellation of its Units are sold. Such notice shall be made available to investors at least one month before the date on which the resolution of the Management Company shall take effect.

Unitholders of the Fund or of the Sub-Fund the Units of which shall be cancelled shall have the right, during one month from the date of such publication, to request the redemption or conversion of all or part of their Units at the applicable NAV per Unit, subject to the procedures described for each Sub-Fund under the chapters "Redemptions" and "Conversions" without paying any fee.

SECTION XXVI - Applicable law, jurisdiction and governing language

Disputes arising between the unit holders, the AIFM/Management Company and the Depositary shall be settled according to Luxembourg law and subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the AIFM/Management Company and the Depositary may subject themselves and the Fund to the jurisdiction of courts of the countries, in which the units of the Fund are offered and sold, with respect to claims by investors resident in such countries and, with respect to matters relating to subscriptions, redemptions and conversions by unit holders resident in such countries, to the laws of such countries.

English shall be the governing language for this Prospectus, provided, however, that the AIFM/Management Company and the Depositary may, on behalf of themselves and the Fund, consider as binding the translation in languages of the countries in which the units of the Fund are offered and sold, with respect to units sold to investors in such countries.

SECTION XXVII - Unitholders' rights against the Fund

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

SECTION XXVIII - Regulatory Disclosure

Conflicts of Interest

The AIFM adopted a conflict of interest policy (the "Conflict of Interest Policy") to identify, manage and where necessary prohibit any action or transaction that may give rise to conflicts entailing a material risk of damage to the interest of the Fund or its Unitholders. The AIFM strives to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, it has implemented procedures that shall ensure that any business activities involving a conflict, which may harm the interests of the Fund or its Unitholders, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the AIFM for the management of conflicts of interest are not sufficient to ensure

with reasonable confidence, that risks of damage to the interests of the Fund or its Unitholders will be prevented. In such case where a conflict of interest cannot be avoided and/or that require particular actions, the AIFM will report to Unitholders by an appropriate durable medium and give reasons for the decision.

A paper version of the Conflicts of Interest Policy is available free of charge at the registered office of the AIFM.

Detailed information regarding the Conflict of Interest Policy can also be found on the following webpage of the AIFM: <https://www.fundrock.com/conflict-of-interest/>.

Preferential treatment of investors

Unitholders are being given a fair treatment by ensuring that they are subject to the same rights and, as the case may be, the same obligations vis-à-vis the Fund (as such rights are obligations notably result from the Management Regulations and this Prospectus) as those to which other unitholders, having invested in, and equally or similarly contributed to, the same class of Units, are subject to. Notwithstanding the foregoing paragraph, it cannot be excluded that a unitholder be given a preferential treatment in the meaning of, and to the widest extent, allowed by, the Management Regulations. Whenever a unitholder obtains preferential treatment or the right to obtain a preferential treatment, a description of that preferential treatment, the type of unitholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Fund or the AIFM will be made available at the registered office of the Fund within the same limits required by the 2013 Law.

Remuneration

The AIFM has established a remuneration policy which is applicable to all identified staff members as specified in the AIFM Regulation and the ESMA Guidelines 2013/201. Any relevant disclosures shall be made in the financial statements, if applicable, in accordance with the 2013 Law.

Other Policies

The AIFM will make the following additional information available at its registered office upon request in accordance with Luxembourg laws and regulations: the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Fund, the best execution policy and the procedure for the giving and receiving of inducements.

Other disclosures

The following disclosures will be made in the annual report or in another appropriate periodic reporting, and where necessary on an ad hoc basis:

- Where available, the historical performance of each Sub-Fund.
- Changes to the Depositary's liability
- The loss of a financial instrument.
- Any changes to the maximum level of leverage which FundRock Management Company S.A. may employ on behalf of the Fund as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement if applicable.
- The total leverage employed by the Fund.
- Any new arrangements for managing the liquidity of the Fund.
- The percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature.
- The current risk profile of the Fund and the risk management systems employed by FundRock Management Company S.A. to manage those risks,
- Any changes to risk management systems employed by FundRock Management Company S.A. in accordance with point c of Article 21(4) of the 2013 Law as well as its anticipated impact on the

Fund and its investors.

SECTION XXIX - Documents available for inspection

The following documents can be inspected by the unit holders at the offices of the Depositary and the Management Company:

- Management Regulations
- Prospectus
- Agreement with the Depositary
- Portfolio Management Agreement with Skandinaviska Enskilda Banken AB (publ).