THE STRALEM FUND

Société d'Investissement à Capital Variable
organised under the laws of Luxembourg
R.C.S. Luxembourg: B.140.180

Prospectus

February 2017

THE STRALEM FUND (the "**Company**") is organised as a "*société d'investissement à capital variable*" under the laws of the Grand Duchy of Luxembourg. It qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) under Part I of the law of 17 December 2010 on collective investment undertakings (the "**2010 Law**").

The Company may issue shares of no par value of different classes of shares (the "**Shares**"), which relate to each portfolio of assets (the "**Sub-Fund(s)**"). The Sub-Funds are priced and Shares are issued and/or may be redeemed on each bank business day in Luxembourg. The Company has currently one Sub-Fund.

Within each Sub-Fund the Company may further decide to create different categories of shares whose assets will be commonly invested pursuant to the specific policy of the Sub-Fund concerned but where a specific sales redemption charge structure a specific distribution policy or other specific features may apply.

Shares of each category are and will be offered at a subscription price (the "**Subscription Price**") which is equal to the net asset value per Share plus a subscription fee (if any) of the relevant Sub-Fund on each Valuation Day (as defined in the chapter "Net Asset Value").

Shares of each category may be redeemed at a redemption price (the "**Redemption Price**") which is equal to the net asset value (the "**Net Asset Value**" which is defined in the section of the same name) per Share less a redemption fee (if any) of the relevant Sub-Fund on each Valuation Day.

Subscriptions are accepted on the basis of the complete and simplified Prospectus and of the latest audited annual or semi-annual accounts (if published after the latest annual accounts) of the Company.

The Shares are offered on the basis of the information and representations contained in this Prospectus. All other information given or representations made by any person must be regarded as unauthorised. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

None of the Shares has been or will be registered under the United States Securities Act of 1933, as amended or registered or qualified under applicable state statutes and (except in a transaction which is exempt from registration under the 1933 Act and such applicable state statutes) none of the Shares may be offered or sold, directly or indirectly, in the United States of America or in any of its territories or possessions, or to any US Person (has the meaning ascribed to that term in Regulation S of the United States Securities Act of 1933, as amended) regardless of location. The SICAV, may at its discretion, sell Shares to US Persons on a limited basis and subject to the condition that such purchasers make certain representations to the SICAV which are intended to satisfy the requirements imposed by US law on the SICAV, which limit the number of its Investors who are US Persons, and which ensure that the SICAV is not engaged in a public offering of its Shares in the United States. In addition, the SICAV has not been and will not be registered under the United States Investment Company Act of 1940 (the "**1940 Act**"), as amended and Investors will not be entitled to the benefit of the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if the SICAV has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the 1940 Act.

Prospective purchasers of Shares should inform themselves as to the legal requirements of so doing and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

Statements made in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes therein.

References in this Prospectus to "**USD**" refer to the currency of the United States of America.

The reference currency of the Company and of all Sub-Funds is the "USD".

All references in the prospectus to "**Business Day**" refer to any day on which banks are open for business in Luxembourg.

The Board of Directors (hereafter the "**Boar**d") may decide to issue further Sub-Funds and share classes. In such case, this Prospectus shall be amended or supplemented by an addendum.

The personal data of the subscriber and/or distributor are handled by KBL European Private Bankers S.A., Kredietrust Luxembourg S.A. and delegated to EUROPEAN FUND ADMINISTRATION S.A. ("**EFA**") to enable them to manage the Company administratively and commercially, to enable operations to be handled pursuant to the stipulations of the prospectus and the service contracts, to ensure that payments received are correctly assigned, that general meetings are held correctly and shares register correctly drawn up and maintained. The Company will not issue physical share certificates. The subscriber or distributor has the right to access his/her data in order to modify, correct or update them.

Whilst using their best endeavours to attain the investment objectives, there can be no assurance that the investment objectives of each of the Sub-Fund's of the Company shall be achieved, and consequently the price of the Shares of any Sub-Fund may go down as well as up.

TABLE OF CONTENTS

MANAGEMENT AND ADMINISTRATION

Promoter

STRALEM & COMPANY INCORPORATED
645 Madison Avenue
New York, NY 10022

Board of Directors

Chairman, Mr Serge D'ORAZIO, Head of Investment Funds and Global Custody , KBL European Private Bankers S.A.

Mr Stéphane RIES, Head of Business Development, KBL European Private Bankers S.A.

Mr Adam S. ABELSON, Vice President, Senior Portfolio Manager, STRALEM & COMPANY Incorporated

Mrs Andrea BAUMANN LUSTIG, Vice President, Director, Private Client Asset Management, STRALEM & COMPANY Incorporated

Management Company

Kredietrust Luxembourg S.A.
11, rue Aldringen
L-2960 Luxembourg

Conducting Officers ("délégués à la gestion journalière")

Mr Stefan VAN GEYT
Mr Aurélien BARON
Ms Kris Cools

Domiciliary and Registered Office

11, rue Aldringen
L - 1118 LUXEMBOURG

Depositary Bank and Principal Paying Agent

KBL European Private Bankers S.A.
43, Boulevard Royal
L-2955 Luxembourg

Delegated Administrative and Registrar and Transfer Agent

EUROPEAN FUND ADMINISTRATION S.A.
2, rue d'Alsace
L-1122 Luxembourg

Investment Manager

STRALEM & COMPANY INCORPORATED
645 Madison Avenue
New York, NY 10022
USA

General Distributor

CARNEGIE FUND SERVICES S.A.
11, rue du Général-Dufour
CH-1204 Geneva
Switzerland

Swiss Representative

CARNEGIE FUND SERVICES S.A.
11, rue du Général-Dufour
CH-1204 Geneva
Switzerland

Paying Agent in Switzerland

BANQUE CANTONALE DE GENÈVE
17, quai de l'Ile
CH-1204 Geneva
Switzerland

Marketing Coordinators

IPA Investment Products Advisory SA
107 Kantonstrasse
CH-8807 Freienbach
Switzerland

AMIRA-CAPITAL GmbH
26 Goethestrasse
D-63263 Neu-Isenburg
Germany

Paying Agent and Information Agent in Germany

Merck Finck & Co.
Privatbankiers
77 Neuer Wall
D-20354 Hamburg

Facilities Agent in the United Kingdom

Global Funds Registration Limited,
1st Floor, 10 New Street,
London, EC2M 4TP

Centralising Correspondent in France

Société Générale S.A.
29 Boulevard Haussmann
F-75009 Paris

Supervisory Authority:

Commission de Surveillance du Secteur Financier (the "**CSSF**")
Luxembourg

Auditor of the Company

Deloitte SA
560, rue de Neudorf
L-2220 Luxembourg

KEY FEATURES

The Company

The Company is organised as a "*société d'investissement à capital variable*" in the Grand Duchy of Luxembourg. It is organised in the form of a "*société anonyme*" under the law of 10 August 1915, as amended (the "**1915 Law**") and qualifies as an Undertaking for Collective Investment in Transferable Securities under the 2010 Law. It was incorporated on 8 July 2008 on for an unlimited period with an initial capital of USD 50,000. The minimum share-capital of the Company is EUR 1,250,000.-, which must be reached within 6 months as of the CSSF's approval as a UCITS in the Grand Duchy of Luxembourg.

The capital of the Company is represented by Shares of no par value and shall at any time be equal to the total net assets of the Company.

Its Articles of Incorporation were published in the *Mémorial Recueil Spécial des Sociétés et des Associations* on 30 July 2008. The Company is registered with the Register of Commerce and Companies of Luxembourg (*Registre de Commerce et des Sociétés, Luxembourg)* under number B 140.180. The Articles of Incorporation of the Company (the "**Articles**") are available for inspection and a copy thereof may be obtained upon request at the registered office of the Company. The Articles provide that all liabilities, whatever Sub-Fund they are attributable, to, shall, unless otherwise agreed upon with the creditors or unless otherwise provided in laws from time to time, only be binding upon the relevant Sub-Fund.

The Company constitutes a single legal entity. The Sub-Funds are composed of assets and liabilities, and can only be held liable for the debts and liabilities of the Sub-Fund concerned. In the event that an asset or a liability of the Company cannot be attributed to a specific Sub-Fund, such asset or such liability shall be attributed to all the Sub-Funds on a pro rata basis.
The shares of the Sub-Fund are listed on the Luxembourg Stock Exchange.

Sub-Funds

The Board of Directors may decide to launch Sub-Funds, the investment objectives and policies of which will be conveyed as the occasion arises by the updating of this Prospectus.

Prices

Shares of all Sub-Funds will be issued or redeemed at a price corresponding to the Net Asset Value per Share plus a subscription fee/redemption fee, if due. The Net Asset Value per Share is calculated in the reference currency of the relevant Sub-Fund. The Board is free to express and publish the Net Asset Value per share in one or more currencies different from the reference currency and to accept subscription monies in such currencies.

Historical Performance

The historical performance of the individual Sub-Funds is outlined in the simplified prospectus relating to the Sub-Funds. Historical performance is not an indication of future performance.

INVESTMENT OBJECTIVE AND POLICIES

Each Sub-Fund is managed in accordance with its investment policy considering the investment restrictions (refer to chapter "Investment Restrictions") and using investment techniques and instruments (refer to Chapter "Investment Techniques and Instruments").

WARNING:

As the portfolio of each Sub-Fund of the Company is subject to market fluctuations and to the risks inherent in any investment, share prices may vary as a result and the Company cannot give any guarantee that its objectives will be achieved.

THE SUB-FUND: THE STRALEM FUND - US EQUITY

The Net Asset Value of this Sub-Fund is expressed in USD.

Investment Manager: Stralem & Company Incorporated

Risk profile of the Sub-Fund:

The investments foreseen by the Sub-Fund are subject to normal market fluctuations and other risks inherent in investing in securities and there can be no assurance that capital appreciation will occur.

The value of investments and eventually income from them, and therefore the value of the Shares of the Sub-Fund, can and do go down as well as up and an investor may not get back the amount he invests. Exchange rates fluctuations between currencies may also cause the value of the investment to diminish or increase. An investor who redeems his investment in the Company after a short period may not realize the amount originally invested in view of the initial charges made on the issue of Shares.

Risk profile of the typical investor

This Sub-Fund is intended for investors who are investing for long term capital growth through investment in securities issued by companies listed in the United States. Investors must therefore be willing to accept a long term investment with medium to high volatility.

The Sub-Fund is suitable for investors who can accept the risks mentioned in the paragraph entitled "Risk Profile" above.

Investment Objective and Policy

The objective of the Sub-Fund is long term capital appreciation.

Investment Policy

The Investment Manager selects securities of the Index U.S. S&P 500 companies using a structural framework that forms the foundation of the Investment Manager's investment philosophy. This framework generally consists of investing in stocks in what the Investment Manager categorizes as two sectors:

- "Up Market" Companies: Companies that the Investment Manager believes are fundamentally solid growth companies. This sector is comprised of three categories of stocks that, in the Investment Manager's view, typically lead the market when the market is rising: New Industries, New Products and Dominant Firms.
- "Down Market" Companies: Companies that the Investment Manager believes are strong cash flow companies. This sector is comprised of two categories of stocks that have, in the Investment Manager's opinion, historically preserved capital in a down market: Low Ratio of Price/Cash Flow and High Dividend Yield.

The Investment Manager adjusts the balance between Up Market companies and Down Market companies, and the balance among categories in each sector, depending on the Investment Manager's assessment of where the market lies with respect to the current market cycle. In general, the Investment Manager expects that at least half of the Sub-Fund's portfolio securities will be maintained in Up Market Companies. By adjusting the allocation between Up Market and Down Market companies during the phases of the market cycle, the Investment Manager seeks to grow capital in rising markets and preserve capital during declining markets.

The Investment Manager takes a bottom-up approach to stock selection and focuses most of its research efforts on security selection within the structural framework. The Investment Manager uses fundamental analysis and proprietary quantitative analytical tools to identify securities for acquisition or sale, determine sector and category weights and implement risk controls. When researching purchase candidates, the Investment Manager seeks to identify companies meeting certain criteria including: industry leadership, consistent earnings growth, predictable cash flows, above-average profit margins and strong balance sheets. Once a security is deemed a purchase candidate, it is ultimately selected based on its fit within the structural framework.

The Sub-Fund will invest at least 70% of its Total Assets in the equity securities of the Index U.S. S&P 500 Index companies with a market capitalization of $4 billion or greater listed or traded on major U.S. stock exchanges and in the over-the-counter market. The Sub-Fund may hold positions in either cash or money market instruments if the Investment Manager believes such is necessary to protect the interests of share holders in an unfavorable investment climate. This may be required when there are

unfavorable changes of the social, political or economical situation that negatively impact the financial market in which the sub-fund invests. The Investment Manager will only use derivative products for potential hedging purposes *(efficient portfolio management)*.

Contrary to article 5 of Chapter "Investment Restrictions", investments made by the Sub-Fund in units/shares of UCI and/or UCITS may not exceed, in aggregate, 10% of its net assets.

MANAGEMENT

Board of Directors of the SICAV

The Board is responsible for the Company's overall management and control including the determination of the investment policy of each Sub-Fund.

MANAGEMENT COMPANY

The Board of Directors of THE STRALEM FUND appointed Kredietrust Luxembourg S.A. as Management Company (hereinafter "**Management Company**") by means of the Management Company Agreement dated 8 July 2008 to provide management and administration services.

Kredietrust Luxembourg S.A. qualifies as a Management Company under Chapter 15 of the 2010 Law. It has been set up for an indefinite period.

The Board of Directors of the Management Company is composed as follows:

M. Olivier de JAMBLINNE de MEUX, Chaiman and director

M. Vincent DECALF, director

M. Stefan VAN GEYT, director

M. Olivier de JAMBLINNE is General Manager Private Banking of KBL European Private Bankers S.A.

M. Vincent DECALF is independent director.

M. Stefan VAN GEYT is Chief Executive Officer of Kredietrust Luxembourg S.A.

The subscribed capital and the paid-up capital of the Management Company is EUR 2,300,000.

The conducting officers, appointed by the Board of Directors of the Management Company, are M. Stefan VAN GEYT, M. Aurélien BARON and Ms. Kris Cools.

Kredietrust Luxembourg S.A. is a wholly owned subsidiary of KBL European Private Bankers S.A.

The remuneration policy of the Management Company is aimed at ensuring the best possible alignment of the interest of investors, those of the Management Company and the achievement of the investment objectives of the Company with a view of not encouraging excessive risk. It integrates in its performance management system risk criteria specific to the activities of the business units concerned. The criteria applied to establish fixed remuneration are job complexity, level of responsibility, performance and local market conditions.

The remuneration policies and practices shall apply to those categories of staff, including senior management, risk takers, control functions and any employee receiving remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or of the Company, that are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company, the Articles and which do not interfere with the obligation of the Management Company to act in the best interests of the Company. All staff members entitled to variable remuneration (such as bonus payments) are subject to an evaluation including both quantitative and qualitative criteria as part of an annual performance assessment.

The remuneration policy of the Management Company provides that where the remuneration is performance-related, the assessment of the performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the funds managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the funds and that the actual payment of performance-based components of remuneration is spread over the same period. The Management Company will balance fixed and variable remuneration components appropriately and ensure that the fixed portion is sufficiently high to exercise a fully flexible variable remuneration policy (in particular the option of not paying variable remuneration). Variable amounts may be paid out over a period of time in line with applicable laws and regulations.

The details of the up-to-date remuneration policy of the Management Company are available on https://www.kbl.lu/en/what-we-do/institutional-clients/regulatory-affairs/. A copy will be made available free of charge to investors upon request at the

Management Company registered office.

ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT AND DOMICILIARY AGENT

The Company has, by means of the following agreements, the Administrative Agency Agreement, the Registrar and Transfer Agency Agreement and the Domiciliary Agreement, all dated 8 July 2008 appointed Kredietrust Luxembourg S.A. as its administrative, registrar and transfer and domiciliary agencies functions. Those agreements may be terminated by either party upon giving 90 calendar days' prior written notice.

Kredietrust Luxembourg S.A. has delegated under its entire responsibility the execution of its duties as Administrative Agent and as Registrar and Transfer Agent to European Fund Administration in Luxembourg ("**EFA**").

The Administrative Agent shall receive for the accomplishment of his functions the following fee (monthly payable) for the Sub-Fund(s) of THE STRALEM FUND a maximum 0.10% per annum of the average net assets of the preceding month with a minimum of EUR 25,500 per annum.

DEPOSITARY BANK

The Company has by an agreement dated 8 July 2008 (the "Depositary Agreement") appointed KBL European Private Bankers S.A. as Depositary of the assets of the Company. This Agreement has been entered into for an unlimited duration and may be terminated by either party upon giving 90 days' prior notice.

The Depositary is a bank organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg for an unlimited duration. Its registered office is at 43, Boulevard Royal, L-2955 Luxembourg. At 31st December 2015, its capital and reserves amounted at EUR 1,143,985,320.17.

As Depositary, KBL European Private Bankers S.A. will carry out its functions and responsibilities in accordance with the provisions of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended by Directive 2014/91/EU of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to UCITS as regards depositary functions, remuneration policies and sanctions (the "UCITS Directive") and with the 2010 Law. The Depositary will further, in accordance with the UCITS Directive:

(a) ensure that the sale, issue, repurchase, redemption and cancellation of shares of the Company are carried out in accordance with the applicable Luxembourg law and the Articles;

(b) ensure that the value of the shares of the Company is calculated in accordance with the applicable Luxembourg law and the Articles;

(c) carry out the instructions of the Management Company or the Company, unless they conflict with the applicable Luxembourg law, or with the Articles;

(d) ensure that in transactions involving the assets of the Company any consideration is remitted to the Company within the usual time limits;

(e) ensure that the income of the Company is applied in accordance with the applicable Luxembourg law and the Articles.

The Depositary shall ensure that the cash flows of the Company are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of shares of the Company have been received, and that all cash of the Company has been booked in cash accounts that are:

(a) opened in the name of the Company or of the Depositary acting on behalf of the Company;

(b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC; and

(c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

The assets of the Company shall be entrusted to the Depositary for safekeeping as follows:

(a) for financial instruments that may be held in custody, the Depositary shall:

(i) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;

(ii) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Company, so that they can be clearly identified as belonging to the Company in accordance with the applicable law at all times;

(b) for other assets, the Depositary shall:

(i) verify the ownership by the Company of such assets by assessing whether the Company holds the ownership based on information or documents provided by the Company and, where available, on external evidence;

(ii) maintain a record of those assets for which it is satisfied that the Company holds the ownership and keep that record up to date.

The assets held in custody by the Depositary may be reused only under certain circumstances, as provided for in the UCITS Directive.

In order to effectively conduct its duties, the Depositary may delegate to third parties the functions referred to in the above paragraph, provided that the conditions set out in the UCITS Directive are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the UCITS Directive and with the relevant CSSF regulations, to ensure that it entrusts the Company's assets only to a delegate who may provide an adequate standard of protection.

The list of such delegates is available on https://www.kbl.lu/en/what-we-do/institutional-clients/regulatory-affairs/ and is made available to investors free of charge upon request.

Conflicts of interests:

In carrying out its duties and obligations as depositary of the Company, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the investors of the Company.

As a multi-service bank, the Depositary may provide the Company, directly or indirectly, through parties related or unrelated to the Depositary, with a wide range of banking services in addition to the depositary services.

The provision of additional banking services and/or the links between the Depositary and key service providers to the Company, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Company.

In order to identify different types of conflict of interest and the main sources of potential conflicts of interests, the Depositary shall take into account, at the very least, situations in which the Depositary, one of its employees or an individual associated with it is involved and any entity and employee over which it has direct or indirect control.

The Depositary is responsible for taking all reasonable steps to avoid those conflicts of interest, or if not possible, to mitigate them. Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have regard to its duties and obligations under the depositary agreement with the Company and act

accordingly. If, despite all measures taken, a conflict of interest that bears the risk to significantly and adversely affect the Company or the investors of the Company, may not be solved by the Depositary having regard to its duties and obligations under the depositary agreement with the Company, the Depositary will notify the conflicts of interests and/or its source to the Company which shall take appropriate action. Furthermore the Depositary shall maintain and operate effective organizational and administrative arrangements with a view to take all reasonable steps designed to properly (i) avoid them prejudicing the interests of its clients, (ii) manage and resolve such conflicts according to the Company decision and (iii) monitor them.

As the financial landscape and the organizational scheme of the Company may evolve over time, the nature and scope of possible conflicts of interests as well as the circumstances under which conflicts of interests may arise at the level of the Depositary may also evolve.

In case the organizational scheme of the Company or the scope of Depositary's services to the Company is subject to a material change, such change will be submitted to the Depositary's internal acceptance committee for assessment and approval. The Depositary's internal acceptance committee will assess, among others, the impact of such change on the nature and scope of possible conflicts of interests with the Depositary's duties and obligations to the Fund and assess appropriate mitigation actions.

Situations which could cause a conflict of interest have been identified as at the date of this Prospectus as follows (in case new conflicts of interests are identified, the list will be updated accordingly):

- Conflicts of interests between the Depositary and the Sub-Custodian:

➢The selection and monitoring process of Sub-Custodians is handled in accordance with the 2010 Law and is functionally and hierarchically separated from possible other business relationships that exceed the subcustody of the Company's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that none of the Sub-Custodians used by the Depositary for the custody of the Company's financial instruments is part of the KBL Group.

- The Depositary has a significant shareholder stake in EFA and some members of the staff of the Depositary are members of EFA's board of directors.

➢The staff members of the Depositary in EFA's board of directors do not interfere in the day-to-day management of EFA which rests with EFA's management board and staff. EFA, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.

- The Depositary may act as depositary to other UCITS funds and may provide additional banking services beyond the depositary services and/or act as counterparty of the Company for over-the-counter derivative transactions (maybe over services within KBL).
  ➢ The Depositary will do its utmost to perform its services with objectivity and to treat all its clients fairly, in accordance with its best execution policy.

- The Depositary and the Management Company are part of the KBL Group and some members of the staff of other KBL Group entities (not acting as depositaries) are members of the Management Company's board of directors.
  As a consequence, potential conflicts of interest would be notably:
  - The possibility that the Depositary would favor the interests of the Management Company over one UCI or group of UCI's, or over the interests of their unitholders/investors or group of unitholders/investors, for financial or other reasons.
  - The possibility that the Depositary would obtain a benefit from the Management Company or a third party in relation to the services provided, to the detriment of the interests of the Company or its investors.
    ➢ The Depositary will act in accordance with the standards applicable to credit institutions, in accordance with the 2010 Law and in the best interest of the Company and its investors, without being influenced by the interests of other parties.

    ➢The Depositary will do its utmost to perform its services with objectivity.

    ➢The Depositary and the Management Company are two separate entities with different purposes and employees, and ensuring a clear separation of tasks and functions.

The Depositary shall be liable to the Company and its investors for the loss by the Depositary or a third party to with whom the custody of financial instruments are held in custody in accordance with the UCITS Directive. The Depositary shall not be

liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

For other assets, the Depositary shall be liable only in case of negligence, intentional failure to properly fulfil its obligations.

The Depositary shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

In consideration of its services and in accordance with usual practice in Luxembourg, the Depositary will be entitled to a fee of 0.055% of the net assets p.a. per Sub-Fund with an annual minimum of EUR 12,500 for the whole SICAV and a commission relative to any operation on securities per operation standard to bank practice in Luxembourg.

The rights and duties of KBL European Private Bankers S.A. as Paying Agent are governed by the Paying Agency Agreement entered into for an unlimited period of time from the date of its signature. As principal paying agent KBL European Private Bankers S.A. will be responsible for distributing income and dividends, if applicable, to the Shareholders.

The rights and duties of the Depositary are governed by the Depositary Agreement entered into for an unlimited period of time from the date of its signature. The Company and the Depositary may terminate the Depositary Agreement on ninety (90) calendar days' prior written notice; provided, inter alia, that a new depositary assumes the responsibilities and functions of the Depositary and that the prior approval of the home regulator of the Company has been obtained, being understood that such appointment shall happen within two months. The Depositary shall, if terminated by the Company, however continue thereafter for such period as may be necessary for the complete delivery or transfer of all assets held by it.

THE INVESTMENT MANAGER

The Management Company has, by means of the Investment Management Agreement dated 8 July 2008, appointed Stralem & Company Incorporated, 645 Madison Avenue, New York, NY 10022, USA as the Investment Manager of the assets of the Company. This Agreement has no fixed duration and may be terminated by either party upon giving 90 calendar days' prior written notice.

The Investment Manager is entitled to a management fee, accrued daily and payable out of the assets of the Sub-Fund or Class of shares. The management fee will be based on the average value of the net assets of the Sub-Fund or Class of shares concerned and will be calculated on each Valuation Date. The maximum management fee that may be charged to a Sub-Fund or Class of share is disclosed under "Charges and Expenses". The management fee applicable to each Sub-Fund or Class will be disclosed in the financial reports of the Company. The management fee will be paid monthly in arrears to the Investment Manager. The Investment Manager may pay a portion of its fee to distributors authorised by the Management Company.

Stralem & Company Incorporated is an investment adviser registered with the SEC and was founded on 22 November 1966. Stralem & Company manages funds for individuals, trusts, pension and profit sharing plans and institutional investors.

Under the Investment Manager Agreement, the Investment Manager provides investment management to the Company and continuously supervises the investment and reinvestment of cash, securities and other property composing the assets of the Sub-Fund. The Investment Manager provides the Company with investment research, data and advice necessary to implement the Company's investment policy, which includes determining what securities should be purchased or sold by the Sub-Fund and what portion of the assets of the Sub-Fund should be held un-invested, subject always to the provisions of the Articles of Incorporation of the Company and this Prospectus. The Sub-Fund's fundamental investment policies and portfolio is subject to regular review by the Board of Directors of the Company.

MARKETING COORDINATORS

The Company and the Management Company have appointed two Marketing Coordinators who, acting under the oversight of the Management Company and under direction of the Board of Directors, will assist in the development of the Company by proposing new marketing initiatives and ideas for entry into new markets. The Marketing Coordinators will also help produce and maintain marketing support materials such as product literature and technical guides for Distributor(s). For their services, the Marketing Coordinators will receive fees as set out in the chapter Charges and Expenses from the Company in accordance

with the Marketing Coordinator Agreements which is available upon request from the Company.

DISTRIBUTION

The Management Company has, by means of the General Distribution Agreement dated 8 July 2008, appointed CARNEGIE FUND SERVICES S.A. as the General Distributor of the shares of the Company.

The Management Company has, by means of the Representation Agreement dated 8 July 2008, appointed CARNEGIE FUND SERVICES S.A., as Swiss Representative for the commercialisation of the shares of the Company in Switzerland.

CARNEGIE FUND SERVICES S.A. is authorised to enter into distribution agreements and pay remuneration, to financial intermediaries that have demonstrated that they are authorised to distribute investment funds in their jurisdiction.

DIVIDEND POLICY

On the recommendation of the Board, the General Meeting may determine each year which part of the investment profits of any Sub-Fund - including the net investment incomes and any realized and unrealized capital gains (after deduction of realized and unrealized capital losses) - may be distributed to the holders of distribution Shares. Dividends may be distributed to the extent that the capital of the Company is maintained at the minimum level as foreseen by law.

Payments of dividends will be made in the relevant currency corresponding to the relevant Category of shares of the concerned Sub-Fund.

Payment of dividends for registered Shares will be made to the concerned Shareholders on the cash account provided to the Transfer Agent.

Dividends of each Sub-Fund not collected within five years will lapse and accrue for the benefit of that Sub-Fund in accordance with Luxembourg law.

No interest will be paid on dividends kept by the SICAV at the disposal of its beneficiary.

THE SHARES

The Sub-Fund THE STRALEM FUND - US EQUITY is offering 2 different categories of shares. The Fund offers capitalisation Shares and distribution Shares which are expressed in USD.

Share categories

Share Category	Investors Restriction	Initial Minimum Investment	Subscription Fee & Redemption Fee(max)	Conversion fee
Category DA Shares – US$ (Distribution)	No restriction on issue.	US$ 5,000 inclusive of the initial charge.	up to 5% of the applicable NAV.	Up to 2% of the applicable NAV
Category DI Shares – US$ (Distribution)	Institutional Investors only	US$ 1,000,000 inclusive of the initial charge.	up to 5% of the applicable NAV.	Up to 2% of the applicable NAV
Category A Shares – US$ (Capitalization)	No restriction on issue.	US$ 5,000 inclusive of the initial charge.	up to 5% of the applicable NAV.	Up to 2% of the applicable NAV
Category I Shares – US$ (Capitalization)	Institutional Investors only	US$ 1,000,000 inclusive of the initial charge.	up to 5% of the applicable NAV.	Up to 2% of the applicable NAV

Shares in the Company will only be issued in registered form and registered in the Shares Register of the Company. No physical share certificates will be issued. Investors may hold a fraction of a share. Fractions of a share may be expressed by a number rounded to three places after the decimal point. Such fractions will, on a pro rata basis, entitle Shareholders to proceeds of liquidation, but shall not confer any voting rights.

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

Shares may also be held and transferred through accounts maintained with clearing systems.

The Net Asset Value per Share and the Subscription and Redemption Prices of each category of shares shall be available at the registered office of the Company and published on *www.swissfunddata.ch* . The Subscription/Redemption Price shall be expressed in the reference currency of each category of shares as determined by the Administrative Agent.

The Board of Directors is free to express and publish the Net Asset Value per share in one or more currencies different from the reference currency.

The Company does not allow investments which are associated with late trading or market timing practices; as such practices may adversely affect the interests of the shareholders.

Market Timing

Shares of the Company are not offered, nor is the Company managed, or intended to serve as, a vehicle for frequent trading that seeks to take advantage of short-term fluctuations in the concerned securities markets. This type of trading activity is often referred to as "market timing" and could result in actual or potential harm to the shareholders of the Company.

In general, "**Market Timing**" is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts Shares of the same Sub-Fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of a Sub-Fund.

Accordingly, the Board of Directors may, whenever it deems it appropriate, instruct the Registrar and Transfer Agent to reject an application for subscription and/or switching of Shares from investors whom the Board of Directors consider market timer and may, if necessary, take appropriate measures in order to protect the interests of the other investors. For these purposes, the Board of Directors may consider an investor's trading history and the Registrar and Transfer Agent may combine Shares which are under common ownership or control.

Late Trading

In general, "**Late Trading**" is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the Net Asset Value applicable to such same day. The Board of Directors shall not allow the Registrar and Transfer Agent to

accept orders after the cut-off time. Orders received by the Registrar and Transfer Agent after cut-off time will be held for executed on the next Valuation Day.

SUBSCRIPTION OF SHARES

Money Laundering

Measures aimed at the prevention of money laundering may require an applicant for Shares to verify his identity to the Fund.

As a result of such measures, the Registrar and Transfer Agent of a Luxembourg collective investment undertakings must ascertain the identity of the applicant unless the subscription order has come through another professional of the financial sector established in a FATF country (Financial Action Task Force) and that person has already ascertained the identity of the applicant in a manner equivalent to that required by Luxembourg law.

The Registrar and Transfer Agent will notify applicants if proof of identity is required. By way of example, an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a public notary, the police or the ambassador in his country of residence, together with evidence of his address such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the Certificate of Incorporation (and any change of name) and of the Memorandum and Articles of Association (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners.

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

The details given above are by way of example only and the Registrar and Transfer Agent will request such information and documentation as is necessary to verify the identity of an applicant. Shares will not be issued until such time as the Registrar and Transfer Agent has received and is satisfied with all the information and documentation requested to verify the identity of the applicant. This may result in Shares being issued on a Valuation Day subsequent to the Valuation Day on which an applicant initially wished to have Shares issued to him.

Each applicant for Shares acknowledges that the Registrar and Transfer Agent shall be held harmless against any loss arising as a result of a failure to process his application for Shares if such information and documentation as has been requested by the Registrar and Transfer Agent has not been provided by the applicant.

For each sub-fund, the Board of Directors is authorized to issue fully paid up shares at any time and without any limit.

The subscriptions of shares are eligible in amounts and in quantity of shares.

No shares of any Sub-Fund will be issued or redeemed by the Company during any period when the determination of the Net Asset Value of shares of that Sub-Fund is suspended by the Company pursuant to the power reserved to it by the Articles of Incorporation and described under the chapter "Suspension of the Determination of the Net Asset Value".

The initial subscription period of the Sub-Fund THE STRALEM FUND – US EQUITY was from 15July 2008 to 29 August 2008 with an initial subscription price of USD 100 per share.

Subsequent subscription of Shares

Shares of the Company are issued at a price corresponding to the Net Asset Value per Share of the relevant Sub-Fund plus a subscription fee of up to 5% in favour of the General Distributor. The General Distributor may authorise a distributor or financial intermediary, to charge such a fee for its own account.

All subscription applications must be received by the Company no later than 10:00 p.m. Luxembourg time on the applicable Valuation Day.

The Net Asset Value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the chapter “Net Asset Value”.

Requests for subscription received after such deadline will be deferred to the next Valuation Day.

In the case of a suspension of the calculation of the Net Asset Value or a deferral of subscriptions, subscription orders for a Valuation Day falling during the period of such suspension or deferral will be accepted at the Net Asset Value per Share on the

first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

Payment procedure

Payment of the Subscription Price must be made in cleared funds on the third Luxembourg Bank Business Day following the relevant Calculation Day. Should the third Luxembourg Bank Business Day not be a bank business day compared to the reference currency of the relevant Sub-Fund the applicable payment day will be the following Luxembourg Bank Business Day.

Any taxes and duties levied in connection with the subscription of shares of the Company in certain countries (if any) shall be charged to the Shareholder concerned.

The Board of Directors may agree to issue shares as consideration for a contribution in kind of securities, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Company and provided that such securities comply with the investment objectives and policies of the relevant Sub-Fund.

Any costs incurred in connection with a contribution in kind of the securities shall be borne by the relevant Shareholders.

REDEMPTION OF SHARES

Shareholders' requests for redemption of Shares must be made in writing by traditional mail or fax to the Company.

All redemption applications must be received by the Company no later than 10:00 p.m. Luxembourg time on the applicable Valuation Day.

The Net Asset Value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the chapter "Net Asset Value".

Requests for redemptions received after such deadline will be deferred to the next Valuation Day.

A request duly made shall be irrevocable, except in case of and during any period of suspension or deferral of redemptions.

A maximum redemptions fee of 5 per cent may be charged for any Sub-Fund in favour of the General Distributor. The General Distributor may authorise a distributor or financial intermediary, to charge such a fee for its own account.

In the case of redemption requests exceeding 10% of the Net Asset Value of the relevant Sub-Fund on any Valuation Day, the Company may decide to defer on a pro rata basis redemptions to the next Valuation Day. In case of a deferral of redemptions, the relevant Shares shall be redeemed at the Net Asset Value per Share prevailing on the Valuation Day on which the redemption is performed. On such Valuation Day such requests shall be complied with by giving priority to the earliest request.

In the case of a suspension of the calculation of the Net Asset Value or a deferral of redemptions, Shares to be redeemed on Valuation Days falling during the period of such suspension or deferral will be redeemed at the Net Asset Value per Share on the first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

Payment procedure

Payment of the Redemption Price must be made in cleared funds on the third Luxembourg Bank Business Day from the relevant Calculation Day. Should that third Luxembourg Bank Business Day not be a bank business day compared to the currency of the payment, the applicable payment day will be the following Luxembourg Bank Business Day.

Any taxes and duties levied in connection with the redemption of shares of the Company shall be charged to the Shareholder concerned.

The value of Shares at the time of their redemption may be more or less than their acquisition cost, depending on the market value of the assets held by the relevant Sub-Fund at the time of acquisition and redemption.

Any Shares redeemed shall be cancelled and removed from the Shares register maintained by the Transfer Agent.

CONVERSION OF SHARES BETWEEN SUB-FUNDS

Shareholders' request for conversion of shares must be made in writing to the Company.

All conversion applications must be received by the Company no later than 10:00 p.m. Luxembourg time on the applicable Valuation Day.

Conversions applications received after such deadlines will be deferred to the next Valuation Day.

The Net Asset Value of the applicable Valuation Day will be calculated on each Calculation Day as defined in the Chapter "Net Asset Value".

A maximum conversion fee of 2 per cent may be charged in favour of the General Distributor. The General Distributor may authorise a distributor or financial intermediary, to charge such a fee for its own account.

The rate at which the shares in a given Sub-Fund (the "original Sub-Fund") are converted into shares of another Sub-Fund (the "new Sub-Fund") will be determined in accordance with the following formula:

$$A = \frac{(B \times C \times D) - F}{E}$$

Where:

- A is the number of shares of the new Sub-Fund to be allotted;
- B is the number of shares of the original Sub-Fund to be converted;
- C is the Net Asset Value of shares of the original Sub-Fund to be converted;
- D is the rate of exchange between the currency of the Sub-Fund's shares to be converted and the currency of the Sub-Fund to be allotted, when the original and the new Sub-Fund are not expressed in the same currency;
- E is the Net Asset Value of the shares in the new Sub-Fund ruling on the applicable Valuation Day.
- F is the conversion fee as described above

In the case of conversion requests between Sub-Funds in excess of 10% of the Net Asset Value of the original Sub-Fund on any Valuation Day, the Company may decide to defer on a pro rata basis conversions to the next Valuation Day. In case of a deferral of conversions, the relevant shares shall be converted at the Net Asset Value per share prevailing on the Valuation Day on which the conversion is effected. On such Valuation Day such requests shall be complied with by giving priority to the earliest request.

In the case of a suspension of the calculation of the Net Asset Value or a deferral of conversion orders, Shares to be converted on Valuation Days falling during the period of such suspension or deferral will be converted at the Net Asset Value per Share on the first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

The cash transfer between the concerned Sub-Funds will be instructed on the third Luxembourg Bank Business Day in Luxembourg following the applicable Calculation Day. Should that third Luxembourg Bank Business Day not be a bank business day compared to the reference currency of the relevant Sub-Fund the applicable payment day will be the following Luxembourg Bank Business Day.

Any taxes and duties levied in connection with the conversion of shares of the Company shall be charged to the Shareholder concerned.

Conversions between classes of share are not allowed.

CHARGES AND EXPENSES

Providers	**Class A and DA Shares**	**Class I and DI Shares**
Investment Management Fee (maximum)	1.30% of the net assets p.a.	0.80% of the net assets p.a.
Management Company	0.03% of the net assets p.a. per Sub-Fund with an annual minimum of EUR 20,000 per Sub-Fund	
Depositary fee	0.05% of the net assets p.a. per Sub-Fund with an annual minimum of EUR 10,000 for the whole SICAV and a commission relative to any operation on securities per operation standard to bank practice in Luxembourg. .	
Administrative Agent	0.10% of the net assets p.a per Sub-Fund with an annual minimum of EUR 25,500 per Sub-Fund	
General Distributor (minimum of USD 20,000 on the whole SICAV)	0.08% of the net assets p.a.	0.055% of the net assets p.a.
Marketing Coordinators Base of USD 80,000 p.a.[1] and an Incentive Fee	Incentive Fee: 0.20% on the contributed net assets p.a. (per Marketing Coordinator)	Incentive Fee: 0.144% on the contributed net assets p.a. (per Marketing Coordinator)

1: by exception the fixed fee of USD 80,000 in favour of AMIRA-CAPITAL GmbH are borne by Stralem & Company Incorporated

Fees and expenses to be borne by the Company will include, without limitation, the fees to the Management Company, to the Marketing Coordinators, to the Investment Manager and to the Depositary (including fees and expenses of its correspondents abroad) and all other expenses incurred in the operation of the Company, taxes, expenses for legal, auditing and other professional services, costs of printing proxies, shareholders' reports, prospectuses and other reasonable promotional and marketing expenses, expenses of issue, redemption and conversion of Shares and payment of dividend, if any, expenses of the Domiciliary, the Registrar and Transfer Agent, Administrative Agent, registration fees and other expenses due or incurred in connection with the authorization by and reporting to supervisory authorities in various jurisdictions, cost of translation of the prospectus and other documents which may be required in various jurisdictions where the Company is registered, the fees and out-of-pocket expenses of the Board of Directors of the Company and of the Conducting Officers, insurance, interest, listing and brokerage costs, taxes and costs relating to the transfer and deposit of securities or cash, out-of-pocket disbursements of the Depositary and of all other agents of the Company and the costs of computation and publication of the Net Asset Value per Share of each Sub-Fund.

All fees, costs and expenses to be borne by the Company will be charged initially against the investment income and thereafter against capital. The costs and expenses linked with the incorporation, organisation and for registration the Company as a UCITS in Luxembourg will be borne by the Company, and will be amortised in equal amounts over a period of five years. Costs in relation to the subsequent launching of new Sub-Funds are amortised on the net assets of these new Sub-Funds over five years. New Sub-Funds will also bear not yet amortised incorporation costs of the Company.

Total Expense Ratio (TER) Cap

The Company and the Promotor have agreed to apply a fixed TER cap ("T**ER Cap**") as set out below for the accounting period 1 July 2011 – 30 June 2012.

TER Caps Class A and DA Shares : 2.19%

TER Caps Class I and DI Shares : 1.53%

The TER Cap is expressed as a percentage of the Net Asset Value for each Class of shares.

The defined TER Cap includes any and all fees paid by the Company with respect to each Class of shares (notably the Investment Management fees, the General Distribution and Marketing co-ordination fees, the Management Company, Depositary and Administrative Agent fees, as well as all other costs and expenses borne by the Company).

The Promotor agrees to bear the risk of any Class of shares exceeding its defined TER Cap. If the TER actually incurred for a given Class of share exceeds its TER Cap, the Promotor will reimburse the difference to the Company. In the event that the TER actually incurred for a given Class of shares falls below its TER Cap, the residual amount of the TER after deduction of all fees paid by the Company and costs and expenses borne by the Company shall be reimbursed to the Promotor. The TER (Total Expense Ratio) of a given Class of Shares will in no event exceed such Class of share' TER Cap.

This operation will be done at the close of the Company's accounting period on 30 June 2012.

The payment from or in favour of the promoter will be done within maximal four months after the date annual report, meaning at the latest by 31 October2012.

MEETINGS, REPORTS AND NOTICES

Meetings

The annual general meeting of shareholders of the Company will be held in Luxembourg on the first Thursday of the month of October at 3:00 p.m. Other general meetings or special meetings of shareholders of one or more Sub-Funds may be held at such time and place as are indicated in the notices of such meetings. Notices of general meetings and other notices are given in accordance with Luxembourg law. Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and voting requirements.

Reports

The Company's accounting period ends on 30 June of each year. The annual report containing the audited consolidated financial accounts expressed in USD of the Company in respect of the preceding financial period and the accounts of the Company will be made available at its registered office at least 15 calendar days before the annual general meeting. Unaudited semi-annual reports at 31 December, will be made available within 2 months of the relevant date. Copies of all financial reports will be available at the registered office of the Company.

Notices

Notices and relevant communications to shareholders will be published in a national newspaper with large diffusion of the countries where the Company is registered in addition to publications required under Luxembourg law.

TAXATION

Luxembourg

The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein.

The Company

The Company is not liable to any Luxembourg income tax nor are dividends paid by the Company (if any) liable to any Luxembourg withholding tax. The Company is, however, liable in Luxembourg to a subscription tax of 0.05 % per annum of its net assets, payable quarterly on the basis of the value of the net assets of ordinary Shares of the Company, and 0.01 % per annum of its net assets, payable quarterly on the basis of the value of the net assets of institutional Shares of the Company at the end of each quarter except for the portion of assets already submitted to that tax. Except for an initial capital duty of EUR 1,250 which was paid upon incorporation, no stamp or other tax is payable in Luxembourg on the issue of shares.

No Luxembourg tax is payable on the realised or unrealised capital appreciation of the assets of the Company.

Dividends and/or interest received by the Company on its investments may be subject to non-recoverable withholding taxes in the countries of origin.

The shareholders

Distributions made by the Company and income, dividends, other distributions and capital gains received by a shareholder resident in Luxembourg or abroad are not subject to a Luxembourg withholding tax.

Taxation of resident shareholders

In certain cases and under certain conditions, the capital gains made by a shareholder, an individual resident in Luxembourg holding or having held, directly or indirectly, more than 10% of the capital of the Company or holding the shares for six months or less before the transfer of a share, the dividends received by a shareholder and the proceeds made or received by a corporate body resident may be subject to taxation in Luxembourg unless a tax allowance or exemption applies.

A resident shareholder is also subject to a wealth tax in Luxembourg and to taxation on donations made in Luxembourg and to inheritance tax.

Taxation of non-resident shareholders

In certain cases and under certain conditions a non-resident shareholder holding or having held, directly or indirectly, more than 10% of the capital of the Company or a shareholder having a permanent business establishment in Luxembourg to which the share is linked may be subject to taxation in Luxembourg unless a tax treaty limiting taxation in Luxembourg, a tax allowance or exemption applies.

A non-resident shareholder is not subject to taxation on donations not made in Luxembourg nor to inheritance tax.

Income received by an individual, resident in a country of the European Union or certain dependent or associated territories, may, depending on the investment strategy of the Sub-Fund of the Company in which this shareholder holds shares fall within the scope of Directive 2003/48/EC of the Council of Ministers of 3 June 2003 on taxation of income in the form of interest payments and be subject to a 35% withholding tax.

The shareholder may also be subject to taxation in his country of residence under the laws and regulations applicable to him and with which he must comply. Potential investors are advised to check the tax obligations in force in their country of residence.

SWITZERLAND

The fund is registered for distribution in Switzerland with the Swiss Financial Market Supervisory Authority ("**FINMA**") as a foreign investment fund under the laws of Switzerland.

Investors who hold shares in mutual funds for private investment purposes (private assets), and who are subject to unlimited Swiss tax liability, are referred to the following general tax rules. This information does not take into consideration special tax treatments in specific cases (i.e. mutual fund held as business assets).

Distributing share classes: Capital income distributed by the Company is considered as taxable income at the federal and cantonal level. Shareholders should note that Luxembourg SICAVs are treated in the same way as Swiss investment funds with regard to direct federal tax and the cantonal and communal taxes The Company is regarded as a distributive fund as long as it distributes at least 70% of its capital income. In case the Company exceptionally does retain a small proportion of the capital income, those retained earnings are, as a rule, not taxable. Capital gains generated by the Company and distributed to investors are tax exempt for the investor, if the Shares in the Company are held for private investment purposes and if the capital gains are disclosed.

Accumulating share classes: Retained earnings resulting from capital income of the respective share classes are considered as taxable income with respect to Swiss Direct Federal Tax and cantonal and communal taxes. Thus, retained capital income of an "accumulation fund" is taxable income of investors although it will not be distributed. Capital gains are tax exempt for the investor, if the shares are held for private investment purposes and if the capital gains are disclosed separately. The tax treatment is also different if the shares are considered as business assets.

Capital gains on the sale of Shares (not included the case of redemption of the shares of a SICAV) held for private investment purposes are in principle subject neither, to cantonal nor, to federal income taxes. Should the investment activities of a private investor, due to special circumstances be qualified as having a commercial purpose, any capital gains and losses realised will be considered part of ordinary taxable income.

The redemption of Shares in SICAV funds, which are held as private assets, is treated similar to a revocation of a Swiss mutual fund and therefore triggering no income taxes at the federal and the cantonal level.

In the course of a purchase, sale or transfer of Shares in a foreign mutual fund through a Swiss securities dealer (e.g. Swiss bank), in general a security transfer tax of 0.30% will be levied, which has in general to be equally borne by the seller and purchaser. The additional charge of the Swiss Stock Exchange amounts to 0.01%.

The issue of the shares of a SICAV is basically subject to a security transfer tax of ½ x 0.3%, which is usually borne by the investor.

Redemption of Shares is not subject to any stamp tax duty as long as the Shares are cancelled and not resold.

This information is given as an indication. Investors should nevertheless take advice from their own tax advisors because tax law and practice as well as rates can be subject to modification from time to time.

INVESTMENT RESTRICTIONS

The Board of Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for each Sub-Fund. Nevertheless the Board of Directors shall endeavour to maintain investment restrictions which will permit the Company to qualify as an Undertaking for Collective Investment in Transferable Securities (UCITS) under Part I of the 2010 Law.

While the Company has broad powers under its Articles as to the type of investments it may make and the investment methods it may adopt, the Directors have resolved that:

Article 1

The investments of the company must consist solely of:

1.1)a) transferable securities and money market instruments admitted to or dealt in on a regulated market;

b) transferable securities and money market instruments dealt in on another regulated market in a Member State of the European Union which operates regularly and is recognised and open to the public;

c) transferable securities and money markets instruments admitted to official listing on a stock exchange in a non-member State of the European Union or dealt in on another regulated market in a non-member State of the European Union which operates regularly and is recognized and open to the public provided that the choice of the stock exchange located in a State which is not a member of the European Union: all the countries of Europe, Asia, Oceania, the American continents and Africa ;

d) recently issued transferable securities and money market instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market has been provided for in the constitutional documents of the Company;
- such admission is secured within one year of issue.

e) shares/units of UCITS authorised according to Directive 2009/65/EC and/or other UCI within the meaning of the first and second indent of Article 1 paragraph (2) of the Directive 2009/65/EC, should they be situated in a Member State of the European Union or not, provided that:

- such other UCI are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured. Such other UCIs must have been authorized under the laws of any Member State of the EU or under the laws of Norway, Switzerland or the United States of America, Guernesey, Jersey.
- the level of protection for unit-holders/shareholders in such other UCI is equivalent to that provided for unit-holders/shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/CE;
- the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a non-member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs a), b) and c) above; and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:

- the underlying consists of instruments covered by Article 1, paragraph 1 of the 2010 Law, financial indices, interest rates, foreign exchange rates or currencies, in which each Sub-Fund may invest according to its investment objectives as stated in the companies constitutional documents;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF and in the case of OTC transactions, the counterparty or its guarantor shall have at least the following current credit rating from a rating agency recognised by the Swiss Financial Market Supervisory Authority ("FINMA"): for commitments of up to one year, the highest short term rating "P1" or equivalent; for commitments of more than one year, a long-term rating of at least "A-", "A3" or equivalent. If the rating of a counterparty or guarantor falls below the required minimum rating, the position that are still open are to be closed out within a reasonable period in such a way as to ensure that the interests of the investors are safeguarded.

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the companies initiative

h) money market instruments other than those dealt in on a regulated market, which fall under Article 1 of the 2010 Law, if the issue or issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority, or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs a), b) or c), or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount at least to EUR 10,000,000 and which presents and publishes its annual accounts in accordance with the Fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group finance or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

1.2) However:

a) Each Sub-Fund may not invest more than 10% of its assets in transferable securities and money market instruments other than those referred to in Article 1.1 here above.

b) The Company may not acquire either precious metals or certificates representing them.

1.3) The Company may hold ancillary liquid assets in any Sub-Fund.

Article 2

Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed its net assets.

The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

The Sub-Funds may invest, as a part of their investment policy and within the limit laid down in Article 3.5) mentioned below, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Article 3. When the Sub-Funds invest in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Article 3. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this Article.

Each of the Company's sub-fund's overall exposure to derivatives is calculated using the commitment method laid down in CSSF circulars 07/308 and 11/512.

The total net commitment of each sub-fund in the Company to derivatives is limited to 100% of the total net portfolio value of the said sub-fund.

Article 3

3.1)The Company may not invest more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same body. The Company may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure to a counterparty of the company in an OTC derivative transaction may not exceed 10% of the net assets of any Sub-Fund when the counterparty is a credit institution referred to in Article 1 f) here above, or 5% of the net assets in the other cases.

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

Notwithstanding the individual limits laid down in paragraph 3.1) here above, a Sub-Fund may not combine:

- investments in transferable securities or money market instruments issued by a single body,

- deposits made with a single body and/or,

- exposures arising from OTC derivatives transactions undertaken with a single body in excess of 20% of its net assets.

3.3) The limit laid down in paragraph 3.1) here above (first sentence), may be of a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States are members.

3.4) The limit laid down in paragraph 3.1) here above (first sentence), may be of a maximum of 25% for certain bonds when they are issued by a credit institution whose registered office is situated in a Member State of the European Union and which is subject by law to special public supervision designed to protect the bondholders. In particular, sums deriving from the issue of such bonds must be invested pursuant to the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

When the company invests more than 5% of the net assets of any Sub-Fund in such bonds as referred to in first indent and issued by one issuer, the total value of such investments may not exceed 80% of the value of the Sub-Fund's assets.

3.5) The transferable securities and money market instruments referred to in paragraphs 3.3) and 3.4) here above are not taken into account for the purpose of applying the limit of 40% referred to in paragraph 3.2) here above.

The limits set out in paragraphs 3.1), 3.2), 3.3) and 3.4) here above may not be combined; thus, investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with paragraphs 3.1), 3.2), 3.3) and 3.4) here above may not exceed a total of 35% of the assets of a Sub-Fund.

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

The company may invest in aggregate up to 20% of the net assets of any Sub-Fund in transferable securities and money market instruments with the same group.

Article 4

The Board of Directors of the Company is authorised, in accordance with the principle of the risks spreading, to invest up to 100% of the net assets of any Sub-Fund in transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, by its public territorial bodies, by a Member State of the Organisation for Economic Co-operation and Development (OECD), or by international organisations of a public character of which one or more Member States of the European Union are part, on the condition that such securities belong to at least six different issues, without the securities belonging to a single issue exceeding 30% of the total amount.

Article 5

5.1)The Company may acquire the units of UCITS and/or other UCIs referred to in Article 1, 1.1) e) hereabove, provided that no more than 10% of the net assets of any Sub-Fund are invested in a single UCITS or other UCI.

For the purposes of applying this investment limit, each Sub-Fund of any underlying umbrella UCI, within the meaning of Article 181 of the 2010 Law, shall be considered as a separate entity, provided that the principle of segregation of commitments of the different Sub-Funds is ensured in relation to third parties.

5.2) Investments made in units/shares of UCI other than UCITS may not exceed, in aggregate, 10% of the net assets of any Sub-Fund of the company.

When the Company has acquired units/shares of UCITS and/or other UCIs, the assets of the respective UCITS or other UCI do not have to be combined in the view of the limits laid down in Article 3 hereabove.

5.3) If the Company's Management Company or Investment Manager invests in the units/shares of other UCITS and/or other UCIs of other securities funds or other investment funds that are managed directly or indirectly by the Company's Management Company or Investment Manager itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes (a "**Related Fund**") to either the Management Company or the Investment Manager, no management fee or only a reduced all-in management fee of 0.25% may be charged to the Company's assets in respect of such investments. Moreover, the Company's Management Company and the Investment Manager may not charge to the Company any issuing or redemption commissions that may be otherwise due to such a Related Fund.

If the Company's Management Company or Investment Manager invests in units of an associated investment fund pursuant to the above paragraph which has a lower actual (all-in) management fee as mentioned before, the Company's Management company or Investment Manager may - instead of charging the aforementioned reduced all-in management fee on the assets invested in this target fund - charge the difference between the actual all-in management fee of the investing fund and the actual (all-in) management fee of the target fund.

Article 6

6.1) The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

6.2) Moreover, the Company may acquire no more than:

- 10% of the non-voting shares of the same issuer,
- 10% of the debt securities of the same issuer,
- 25% of the units/shares of the same UCITS and/or other UCI,
- 10% of the money market instruments of the same issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of debt securities or money market instruments, or the net amount of the securities in issue, cannot be calculated.

6.3)Paragraphs 6.1) and 6.2) here above are waived as regards:

a) transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local authorities;

b) transferable securities and money market instruments issued or guaranteed by a non member State of the European Union;

c) transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members;

d) shares held by the company in the capital of a company incorporated in a non-member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the company can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the Company from the non-member State of the European Union complies with the limits laid down in Articles 3, 5 and 6.1) and 6.2) here above. Where the limits set in Articles 3 and 5 are exceeded, Article 7 shall apply *mutatis mutandis;*

e) shares held by one or more investment companies in the capital of a subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on its or their behalf.

Article 7

7.1)The Company need not necessarily comply with the limits laid down in this Chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

While ensuring observance of the principle of risk-spreading, recently formed the Sub-Funds may derogate from Articles 3, 4 and 5 here above for a period of six months following the end of their respective initial subscription period.

7.2)If the limits referred to in paragraph 7.1) here above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

7.3) If an issuer is an umbrella UCI where the assets of a sub-fund are exclusively answerable for the rights of the investors relating to that sub-fund and to those of the creditors whose claim arose on the occasion of the constitution, the operation or the liquidation of this sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of applying the risk spreading rules referred to in Articles 3 and 4 here above.

Article 8

8.1) Each Sub-Fund may not borrow.

However, each Sub-Fund may acquire foreign currency by means of a back-to-back loan.

8.2)By way of derogation from paragraph 8.1) here above, each Sub-Fund may borrow the equivalent of up to 10% of its assets provided that the borrowing is on a temporary basis

Article 9

9.1)Each Sub-Fund may not, without prejudice to the application of Articles 1 and 2 here above, grant loans or act as a guarantor on behalf of third parties.

9.2)Paragraph 9.1) shall not prevent the Company from acquiring transferable securities or money market instruments or other financial instruments referred to in Article 1, paragraph 1.1) e) g) and h) here above which are not fully paid.

Article 10

Each Sub-Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in Article 1, paragraph 1.1) e), g) and h) here above.

INVESTMENT TECHNIQUES AND INSTRUMENTS

In addition to the use of derivatives as set forth in 1.1g) here above, the Company may employ the following techniques and instruments for each Sub-Fund provided these are employed in the interests of safeguarding and orderly management of the

respective Sub-Fund and to protect against foreign exchange risks.

The Investment Manager will only use derivates products for potential hedging purposes and only in rare and exceptional cases: The Company will ensure that the overall risk entailed by derivatives does not exceed the value of the net assets. The Company will assess the market risk entailed by derivatives by using the commitment approach. The following are taken into account in computing risk: the market value of the underlying instruments, the risk of default, future foreseeable market developments and the period within which the positions are to be liquidated. This also applies to the following two points:

- **In the case of investments in derivatives that fall within the limits set forth below, the overall risk for the underlying instruments may not exceed the investment limits set forth under 2. Investments in index-based derivatives need not be taken into account in the case of the investment limits set forth under 2.**
- **If a derivative has a security or money market instrument as the underlying, it has to be taken into account with regard to compliance with the rules set forth under this Chapter.**

1. Transactions relating to options on transferable securities and money market instruments.

Each Sub-Fund may buy or write call and put options, provided the options are traded on a regulated market, which is in continuous operation and which is recognised and open to the public or traded with a leading and recognised financial institution specialising in these types of transactions and participating to the OTC market in options.

1.1. Rules applicable when buying options

The value of the premiums paid for buying put and unexercised call options referred to under point 1 may not exceed 15% of the Net Asset Value of each Sub-Fund.

1.2. Rules designed to ensure that the commitments resulting from option transactions can be covered

At the time of writing a call option, the relevant Sub-Fund must hold either the underlying securities or, the corresponding call options or other instruments capable of guaranteeing coverage of the obligations assumed under the contracts in question, such as warrants.

The securities underlying written call options cannot be sold so long as such options are outstanding if they are not hedged by corresponding call options or other instruments which may be used for the same purpose.

The same applies to corresponding call options or other instruments that the relevant Sub-Fund is required to hold if it does not own the underlying securities at the time the related option is written.

As an exception to this rule, each Sub-Fund may write call options relating to securities which it does not own at the time the option agreement is concluded under the following conditions:

- the exercise price of the call options being written must not exceed 25% of the total net assets of the relevant Sub-Fund.
- the relevant Sub-Fund must be at all time capable of hedging the positions taken in the context of the writing of such options.

When writing put options, the relevant Sub-Fund must maintain an amount of cash during the entire term of the option agreement sufficient to cover payment for the securities which may be delivered to it in the event the counterparty exercises its option.

When the Company writes uncovered call options it exposes itself to a risk of loss that in theory is unlimited.

1.3. Conditions and limitations on the writing of call and put options

The sum of the commitments resulting from the writing of put and call options (excluding the writing of call options for which the relevant Sub-Fund has adequate coverage) may not, at any time, exceed the net assets of the relevant Sub-Fund.

For such purposes, the commitment for written call and put options corresponds to the total sum of exercise prices for these options.

2. Transactions relating to financial futures contracts, swaps and option contracts on financial instruments

Except for transactions by mutual agreements (swap transactions and OTC contracts) referred to under point 2.2 here below, futures and options on financial instruments must only be based on contracts which are traded on a regulated market, which is in continuous operation, and which is recognised and open to the public. In the context of options, each Sub-Fund may however enter into transactions with leading financial institutions, as stipulated in Article 1.1. g) of the "Investment Restrictions" above. specialising in this type of transaction and participating to the OTC market in options. Subject to the conditions set forth hereafter, these transactions may be engaged in for hedging or other purposes.

2.1 Transactions to hedge risks linked to stock market developments

To hedge against unfavourable developments on the financial markets (including bond, equity and forex markets), the Company may sell call options and futures for each Sub-Fund, buy put options and conclude swap contracts, where all named instruments are aimed at bond-equity indices or currencies as well as other financial instruments and indices pursuant to paragraph 1.1. g) of the chapter "Investment Restrictions" here above .

In doing so there must be an adequate correlation between the underlying base value of the instrument used (option, futures and swaps) as well as individual securities and/or the structure of the securities portfolio to be hedged. The liabilities arising from these transactions may not exceed the value of the securities to be hedged and/or the structure of the securities portfolio to be hedged.

2.2 Transactions to hedge interest rate risks

For each Sub-Fund, the Company may sell futures and call options on interest rates or buy put options on interest rates and conclude interest rate swaps and forward rate agreements on interest rates and swap transactions with first class financial institutions, as stipulated in Article 1.1. g) of the "Investment Restrictions" above, specialised in this type of transaction, within the framework of OTC transactions. The sum of the liabilities arising from this may not exceed the value of the assets to be hedged in the currency of the contract.

2.3 Transactions aiming at efficient portfolio management

The Sub-Fund may, for reasons other than hedging, buy and sell any time, swap and option contracts related to the underlying instruments mentioned in 1.g, provided that the liabilities arising from this together with the liabilities from trades do not exceed the net assets of the corresponding Sub-Fund. Sales of call options on securities for which there is sufficient hedging, are not included in the calculation.

The Company may conclude trades (swaps, total return swaps, credit default swaps) on any type of permitted financial instrument or index-linked swap in which the Company and the counterparty agree to swap the proceeds of a security or money-market instrument, financial instrument, an index under 1.1. g) of the chapter "Investment Restrictions" or a securities index or basket against the proceeds of another a security or money-market instrument, financial instrument, an index under 1.1. g) of the chapter "Investment Restrictions" or a securities index or basket.

Here the contracting party must be a first class financial institution specialised in this type of transaction, as stipulated in Article 1.1. g) of the "Investment Restrictions" above. These swaps must at no time be used to alter the investment policy of the Company.

In this context, liabilities resulting from these transactions whose object is not options on securities are defined as follows:

- liabilities resulting from futures contracts correspond to the market value of the net position of the contract (after calculating the buying and selling position) which correspond to the identical financial instruments without the particular maturities being taken into account, and
- liabilities resulting from options bought and sold correspond to the delta-adjusted amount of the basic price of the options which constitute the net buying position and correspond to the same underlying assets without the particular maturities being taken into account.
- In swap contracts and swap transactions the market value of the offset contracts calculated daily.

2.4 Transactions aimed at hedging risks related to changes to the exchange risks

The Company may enter into forward currency contracts as well as writing call options and buying put options on currencies. Such transactions are limited to agreements which are traded on a regulated market, which is in continuous operation and which is recognised and open to the public or traded with a leading and recognised financial institution specialising in these types of transactions and participating to the OTC market in options.
For the same purpose, the Company may enter into forward sales of currencies or currency swaps in the context of transactions by mutual agreements dealing with leading financial institutions, as stipulated in Article 1.1. g) of the "Investment Restrictions" above, specialising in these sorts of transactions.

If there is a sufficient correlation, the currency risk can also be hedged by selling a currency which closely correlates with the currency in which the assets are denominated, if the company incurs lower costs in doing so or if the transactions in the correlating currency are more marketable. In this case the volume of the transactions in a specific currency may not exceed the total value of the Company in all currencies which closely correlates to the currency concerned.

The objective of the above-mentioned transactions, namely the hedging of the assets of the Company, presupposes the existence of a direct link between such transactions and the assets to be hedged, which implies that transactions involving a currency must generally not exceed in amount the aggregate estimated value of the assets expressed in such currency nor extend beyond the holding period for such assets. Excess hedging not exceeding 10% may occur from time to time on a transitory basis.

3. Securities lending transactions

The Company may engage in transactions related to securities lending provided that it complies with the following rules:

3.1 Rules aimed at ensuring the successful execution of lending transactions

The Company may only lend securities within the context of a standardised lending system organised by a recognised securities

clearing house or by a leading financial institution specialising in this sort of transaction.
In the context of its lending operations, each Sub-Fund must generally receive a guarantee at the time of entering into the lending agreement in an amount at least equal to the estimated global value of the securities lent.
This guarantee must be backed by cash or other liquid assets and/or securities issued or guaranteed by member states of the OECD, by their local authorities or supranational bodies of the EU, regional or world-wide level and held in the name of the Company until termination of the lending agreement.

3.2 Conditions and limitations on lending transactions

Lending transactions must not exceed 50% of the global estimated value of the securities in the portfolio of the relevant Sub-Fund. This limitation is not applicable where the Sub-Fund is entitled to terminate the agreement at any time and to receive back the securities lent.
Lending transactions may not extend beyond a period in excess of 30 days.

4. Repurchase agreements

The Company may enter into repurchase agreements consisting of the purchase and sale of securities the terms of which allow the seller the right to repurchase the securities sold from the buyer at a price and at a date specified between both parties when entering into the agreement.
Temporarily the company may enter into repurchase agreements.
The Company may act either as purchaser or as seller. Its participation in these transactions is, however, subject to the following rules:

4.1 Rules aimed at ensuring the successful execution of repurchase agreements

The Company may only participate as a purchaser or seller in such transactions if the counterparty is a leading financial institution specialising in this sort of transaction.

4.2 Conditions and limitations on repurchase agreements

As long as the repurchase agreement is in effect, the Company must not sell the securities covered by such agreement before the seller of the securities has exercised its right to repurchase the securities or the time period for such repurchase has expired.
The Company must take care to ensure that the number of repurchase agreements be maintained at a level that allows it at all times to meet any redemption obligations.

NET ASSET VALUE

Net Asset Value Determination

The net asset value of the Company's assets in each Sub-Fund (the "**Net Asset Value**", or "**NAV**") is calculated each Luxembourg Bank Business Day ("**Calculation Day**"), dated as of the preceding Luxembourg Bank Business Day ("**Valuation Day**"), based on the closing prices as of such Valuation Day. All Subscription, Redemption and Conversion orders must be received by the Company in Luxemburg by 10:00 p.m. (Central European Time) on the Valuation Day being the cut-off time (the "**Cut-off Time**").

The Net Asset Value per share of a sub-fund shall be expressed in the reference currency of the relevant category of share. The Net Asset Value per share will be determined by dividing the net assets of the category by the total number of shares of that category then outstanding taking into account the allocation of the net assets between categories of shares and shall be rounded up or down to the nearest whole hundredth.

The valuation of the assets of the various Sub-Funds will be determined as follows:

1) The value of cash and deposits, drafts and bills payable on demand, receivables, expenditures paid in advance, dividends and interests announced or due but not yet received, will be constituted by the nominal value of these assets, unless it appears unlikely that this value can be realized. In this case the value will be determined by subtracting an amount deemed to be appropriate by the Company to reflect the real value of these assets.

2) The valuation of any transferable securities or money market instruments or derivatives traded or listed on a stock exchange shall be made on the basis of the closing price as at the Valuation Day unless such price is not representative.

3) The value of any transferable securities or money market instruments traded on another regulated market shall be determined on the basis of the closing price as at the Valuation Day.

4) In as much as transferable securities and money market instruments on a dedicated Valuation Day are neither officially traded nor listed on an exchange or regulated market, or in the case where, for securities and money market instruments officially listed or traded on a stock exchange or another regulated market, the price as determined pursuant to paragraphs 2 and 3 hereabove is not representative of the true value of such transferable securities or money market instruments, the valuation shall be made on the basis of their likely value of realisation, estimated with due care and good faith by the Board of Directors.

5) Money market instruments with a residual maturity of less than 12 month are valued as follows (linear valuation): the determining rate for these investments will be gradually adapted during repayment starting from the net acquisition price and keeping the resulting return constant. If there are notable changes in market conditions, the basis for evaluating money market instruments will be adapted to new market returns.

6) Shares/units of UCITS and other UCI's will be valued on the basis of their last available net asset value at the Valuation Day.

7) The valuation of swaps will be based on their market value, which itself depends on various factors (e.g. level and volatility of the underlying asset, market interest rates, residual term of the swap). Any adjustments required as a result of issues and redemptions are carried out by means of an increase or decrease in the nominal of the swaps, traded at their market value;

8) The valuation of derivatives traded over-the-counter (OTC), such as futures, forward or option contracts not traded on exchanges, or on other recognized markets, will be based on their net liquidating value determined, pursuant to the policies established by the Company on the basis of recognized financial models in the market and in a consistent manner for each category of contracts. The net liquidating value of a derivative position is to be understood as being equal to the net unrealized profit/loss with respect to the relevant position;

If due to special circumstances a valuation made on the basis of the above rules should prove impossible or inaccurate, other generally accepted and verifiable valuation shall be applied criteria to obtain a fair valuation.

Any asset that may not be expressed in the reference currency of the Sub-Fund to which it belongs will be converted into the reference currency of this Sub-Fund at the exchange rate applicable on the Valuation Day or at the exchange rate fixed in the forward contracts.

During the existence of any state of affairs which, in the opinion of the Board of Directors, makes the determination of the Net Asset Value of a Sub-Fund in its reference currency either not reasonably practical or prejudicial to the shareholders of the Company, the Net Asset Value and the Subscription Price and Redemption Price may temporarily be determined in such other currency as the Board of Directors may determine.

Suspension of Calculation of the Net Asset Value and of Issue and Redemption of Shares

The Board of Directors of the Company may suspend the calculation of the Net Asset Value of any Sub-Fund and may suspend the issue and redemption of Shares of the relevant Sub-Fund, in the interests of the Shareholders, due to any of the following situations or a combination thereof:

a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the Company's investments attributable to any Sub-Fund for the time being are quoted, is closed, (otherwise than for ordinary holidays), or during which dealings are substantially restricted or suspended;

b) during the existence of any state of affairs which in the opinion of the Board of Directors constitutes an emergency as a result of which disposals or valuations of assets owned by the Company attributable to any Sub-Fund would be impracticable;

c) during any breakdown in, or restriction in the use of the means of communication normally employed in determining the price or value of any of the investments attributable to any Sub-Fund or the current prices on any market or stock exchange;

d) during any period when the Company is unable to repatriate moneys for the purpose of making payments on the redemption of its Shares or during which any transfer of moneys involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board be effected at normal rates of exchange;

e) during any period when, in the opinion of the Board, there exists unusual circumstances which make it impracticable or unfair towards the shareholders to continue dealing with Shares of any Sub-Fund of the Company;

f) in case of a decision to liquidate the Company, on or after the day of publication of the first notice convening the general meeting of shareholders for this purpose.

g) when there is a suspension of redemption or withdrawal rights by several investment funds in which the Company or the relevant Sub-Fund is invested.

Shareholders having requested issue, redemption of their Shares will be notified in writing of any such suspension within seven calendar days of their request and will be promptly notified in writing of the termination of such suspension.

The suspension affecting any Sub-Fund will have no effect on the calculation of Net Asset Value, Subscription Price and Redemption Price or the issue and redemption of the Shares of any other Sub-Fund.

LIQUIDATION, TERMINATION AND AMALGAMATION

Liquidation

The Company has been established for an unlimited period of time. However, the Company may be dissolved and liquidated at any time by a resolution of the general meeting of shareholders.

In the event of a dissolution of the Company, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the meeting of shareholders effecting such dissolution and which shall determine their powers and their compensation.

In the event of dissolution, the liquidator(s) appointed by the shareholders of the Company in accordance with the CSSF will realise the assets of the Company in the best interests of the shareholders, and the Depositary, upon instruction given by the liquidator(s), will distribute the net proceeds of liquidation (after deducting all liquidation expenses) among the shareholders in proportion to their respective rights.

As provided for by Luxembourg law, at the close of liquidation, the proceeds of liquidation corresponding to Shares not surrendered for repayment will be kept in safe custody at the public trust office ("*Caisse de Consignation*") until the statue of limitation has lapsed.

If the capital of the Company falls below two thirds of the minimum capital as required by the law, the Board must submit a resolution for approval by a simple majority of expressed votes to consider dissolution of the Company to a general meeting of shareholders convened to be held within 40 days and for which no quorum shall be prescribed.

If the capital of the Company falls below one quarter of the minimum capital stated above, the Board must submit the question of dissolution of the Company to a general meeting of shareholders convened to be held within 40 days and for which no quorum shall be prescribed, and a decision to dissolve the Company may in such case be taken by the shareholders owning one quarter of the shares represented at the meeting.

In addition, the Company shall inform holders of Shares by sending a redemption notice to all shareholders at their address in the share register.

All the decisions taken by the General Meeting or the Board regarding the liquidation of the Company will be published according to Luxembourg law.

Termination of Sub-Funds

If the net assets of any Sub-Fund:

- has not reached or has decreased to a minimum amount, to be the minimum level for such a Sub-Fund to be operated in an economically efficient manner as determined by the Board, or
- in case the Board deems that it is appropriate because of changes in the economical or political situation affecting the relevant Sub-Fund.
- and if an economic rationalization is needed

The Board may decide to terminate a Sub-Fund.

The Company may continue to redeem, until the decision to liquidate is executed, continue to redeem or convert the shares of the Sub-Fund which it has been decided to liquidate, taking into account liquidation costs but without deducting any redemption fee as stated in the prospectus. The formation expenses will be fully amortized.

Termination of a Sub-Fund for other reasons than those mentioned here above may be effected only upon prior approval by the shareholders of the Sub-Fund to be terminated at a duly convened meeting which may be validly held without quorum and decide at the simple majority of expressed votes.

Amounts unclaimed by shareholders on the closure of liquidation of the relevant Sub-Fund shall be paid to the public trust office ("*Caisse de Consignation*") to be held for the benefit of the shareholders entitled thereto until the statue of limitation has lapsed.

Merger of Sub-Funds

Merger of a Sub-Fund with another Sub-Fund of the Company or with another Luxembourg UCITS, for other reasons than those mentioned here above may be effected only upon prior approval by the shareholders of the Sub-Fund to be merged at a duly convened meeting which may be validly held without quorum and decide at the simple majority of expressed votes.

A merger decided by the Board or approved by the shareholders of the Sub-Fund concerned will be binding the shareholders of the relevant Sub-Fund after a 1 month notice, during which period they may redeem part or all their Shares without any redemption fee as stated in the current prospectus.

All the decisions taken by the shareholders of the Sub-Fund concerned or the Board regarding the merger of the Sub-Fund will be published according to Luxembourg law.

In the case of a merger with a "*fonds commun de placement*", the decision will be binding only those shareholders having voted in favour of the merger. The Company shall inform holders of the relevant Shares by notice sent to their address in the Share register.

DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during usual business hours on any Luxembourg Bank Business Days at the registered office of the Company:

(a) Investment Management Agreement
(b) Management Company Agreement
(c) Principal Paying Agent Agreement
(d) General Distribution Agreement
(e) Depositary Agreement
(f) Domiciliary Agency Agreement;
(g) Registrar and Transfer Agency Agreement
(h) Administrative Agency Agreement
(i) Marketing Coordinator Agreements
(j) The most recent annual and semi annual reports

A copy of the Articles of Incorporation of the Company may be obtained free of charge at the registered office of the Company.

IMPORTANT INFORMATION FOR INVESTORS IN SWITZERLAND

1. Representative

The representative in Switzerland is **CARNEGIE FUND SERVICES S.A.**, 11, rue du Général-Dufour, 1204 Geneva, Switzerland, (Postal address: P.O. Box 5842, 1211 Geneva 11, Switzerland), Tel: + 41 (0)22 705 11 77, fax: + 41 (0)22 705 11 79.

2. Paying Agent:

The paying agent in Switzerland is **BANQUE CANTONALE DE GENEVE**, 17 quai de l'Ile, 1204 Geneva, Switzerland,

Tel: +41 (0)22 317 27 27, fax 41 (0)22 317.27.37.

3. Place where the relevant documents may be obtained:

The prospectus and simplified prospectus ,the articles of incorporation or the regulations, as well as the annual and semi-annual reports may be obtained free of charge from the representative.

4. Publications:

1) Publication in respect of the foreign collective investment scheme are made in Switzerland in the Swiss Official Gazette of Commerce (SOGC) and on the platform of Swiss Fund Date (http://www.swissfunddata.ch).

2) The issue and the redemption prices or the asset value together with a footnote stating "excluding commissions" of all shares are published daily on the platform of Swiss Fund Data (http://www.swissfunddata.ch). Prices are published daily.

5. Payment of remunerations and distribution remuneration:

1) In connection with distribution in Switzerland, the company may pay reimbursements to the following qualified investors who, from the commercial perspective, hold the Shares of collective investment schemes for the third parties:

- Life insurance companies;
- Pension funds and other retirement provisions institutions;
- Investment foundations;
- Swiss fund management companies
- foreign fund management companies and providers;
- Investment companies.

2) In connection with distribution in Switzerland, the Company may pay distribution remunerations to the following distribution and sales partners:

- Distributors subject to the duty to obtain authorization pursuant to Art. 19.1 CISA;
- Distributors exempt from the duty to obtain authorization pursuant to Art. 19.4 CISA and Art.8 CISO;
- Sales partners who place the Shares of collective investment schemes exclusively with institutional investors with professional treasury facilities;
- Sales partners who place the Shares of collective investment schemes exclusively on the basis of a written asset management mandate.

6. Place of performance and jurisdiction:

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.