

PROSPECTUS

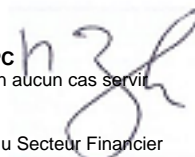
Relating to permanent offer of units
in the umbrella fund

AZ ESKATOS

Mutual fund – specialised investment fund
established under Luxembourg law
35, avenue Monterey
L-2163 Luxembourg
Grand Duchy of Luxembourg

The Prospectus should be accompanied by the Fund's most recent annual report (if available). Only information contained in the Prospectus and financial statements shall be provided.

2 May 2019



AZ ESKATOS

35, avenue Monterey

L-2163 Luxembourg

Grand Duchy of Luxembourg

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LIST OF AZ ESKATOS SUB-FUNDS

| SUB-FUND (1) | CURRENCY DENOMINATION | UNIT CLASSES (2) |
|---|------------------------------|---|
| <i>"Multistrategy" Category</i> Multistrategy ILS Fund | EUR | A (EUR) B (EUR) C (EUR) D (EUR) F (EUR) A (USD) B (USD) A (AUD) B (AUD) C (AUD) A (CNH) B (CNH) A (JPY) B (JPY) A (SGD) B (SGD) C (SGD) |
| <i>"Feeder" Category</i> Multistrategy ILS Feeder Fund | EUR | A Class (EUR) B Class (EUR) M Class (EUR) N Class (EUR) A Class (USD) B Class (USD) M Class (USD) N Class (USD) A Class (AUD) B Class (AUD) M Class (AUD) |

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| | | N Class (AUD) A Class (CNH) B Class (CNH) M Class (CNH) N Class (CNH) A Class (JPY) B Class (JPY) M Class (JPY) N Class (JPY) A Class (SGD) B Class (SGD) M Class (SGD) N Class (SGD) |
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- (1) The name of each Sub-fund is prefixed by "AZ ESKATOS"
- (2) The various Unit classes are described in chapter 11 and in the relevant Sub-fund factsheet in Appendix I.

DEFINITIONS

For the purposes of the Prospectus and its appendices, the following expressions have the following meanings:

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| "Administrator" | the administrative agent, the paying agent, the registrar and transfer agent of the Fund which is Edmond de Rothschild Asset Management (Luxembourg) with registered office at 20, boulevard Emmanuel Servais, L-2535 Luxembourg. |
| "Affiliate" | <p>(a) in the case of a company</p> <p style="padding-left: 20px;">(i) any company which is its direct or indirect holding company or subsidiary or a direct or indirect subsidiary of that holding company; or</p> <p style="padding-left: 20px;">(ii) a company (or a direct or indirect subsidiary of a company) or other entity which controls or is controlled by the person concerned; or</p> <p>(b) in the case of an individual, the spouse or direct descendant and ascendants of any kind, and any company directly or indirectly controlled by such person and his associates within the meaning of paragraph (a) of this definition; or</p> <p>(c) in the case of an entity other than a company, the members and any company or entity directly or indirectly controlled by such person and his associates within the meaning of paragraph (a) of this definition,</p> <p>except, in all cases, any company or entity in which the Company holds an investment.</p> |
| "AIF" | alternative investment fund within the meaning of article 1 (49) of the AIFM Law. |
| "AIFM Directive" | Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as amended. |
| "AIFM Law" | the Luxembourg law of 12 July 2013 as amended, implementing the AIFM Directive in Luxembourg. |
| "AIFM Provisions" | the AIFM Directive, supplemented by its implementing provisions including Commission Regulation, the AIFM Law, as well as any applicable regulations, binding guidelines, circulars or positions of the European Securities and Markets Authority and/or the CSSF. |
| "Analyst" | Katarsis Capital Advisors SA with registered office at 3, via Fogazzaro, CH-6900 Lugano, Switzerland in its a capacity as an analyst for the Company in relation to the Sub-funds Multistrategy ILS Fund and Multistrategy ILS Feeder Fund. |
| "AUD" | Australian Dollar, the currency of the Commonwealth of Australia. |
| "Auditor" | PricewaterhouseCoopers, Société coopérative acting in its capacity as qualified independent auditor (<i>réviseur d'entreprises agréé</i>) of the Fund and the Company. |
| "Board" or "Board of Directors" | the board of directors of the Company. |
| "Business Day" | each day that is not (i) a Saturday or a Sunday or (ii) a day on which banks are authorized or required to close in Luxembourg; or (iii) a day on which the markets in which all or part of investments of the Fund are quoted, listed or dealt in are closed; or (iv) such other day or days as the Company may agree |

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| | from time to time. |
| "Cat Bond" | catastrophe bond which is a fixed income security whose performance is linked to the occurrence of a natural or man-made extreme event. |
| "Cat Swap" | catastrophe swap agreement which is a financial derivative instrument whose performance is linked to the occurrence of a natural or man-made event. |
| "Central Administration Agreement" | the central administration agreement between the Company acting on behalf of the Fund and the Administrator. |
| "Class" | one or more separate classes of Units of no par value in a Sub-fund. |
| "CNH" | the offshore Chinese Renminbi; the value of the CNH may differ from that of the onshore Chinese Renminbi (CNY) due to a number of factors including exchange control policies and restrictions that may be applied to the repatriation by the Chinese government. |
| "CDO" | collateralized debt obligation. |
| "Commission Regulation" | Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFM Directive. |
| "Company" | AZ Fund Management S.A., acting as management company and as external alternative investment fund manager of the Fund. |
| "Contingent Capital" | tool that enables an insurance company to be provided with fresh capital injection under the form of subordinated debt or equity, after a trigger event has been materialized. |
| "CSSF" | <i>Commission de Surveillance du Secteur Financier.</i> |
| "Depository" | Edmond de Rothschild (Europe) acting as depository of the Fund within the meaning of the AIFM Provisions. |
| "Depository Agreement" | the agreement entered into with the Depository. |
| "Euro" or "EUR" | the legal currency of the European Monetary Union. |
| "First Subscription Day" | the Business Day designated by the Company upon which the Units will be made available for first subscription, which currently is designated to fall on first Business Day following the closing of the Initial Offer Period, or such other Business Day as may be determined by the Company. |
| "External Evaluator" | Ernst & Young S.A. the entity appointed by the Company in accordance with article 17(4)(a) of the AIFM Law for the proper and independent valuation of certain assets of the Fund or any of its subsidiaries. |
| "Fronting Entity" | a reinsurance undertaking which may front reinsurance business on behalf of the Transformer and directly or indirectly one or more Sub-funds. |
| "Fund" | AZ ESKATOS. |
| "High Water Mark" | the high water mark applied for a relevant Sub-fund and determined in relevant Sub-fund factsheet in Appendix I: - with respect to AZ ESKATOS – Multistrategy ILS Fund, the high water mark is calculated on a Unit-by-Unit basis, and with respect to a Unit it is the greater of (i) the Subscription Price paid by the relevant Investor for such Unit and (ii) the highest Net Asset Value per Unit recorded for that Unit after its issuance on |

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| | <p>which a Performance Fee has been paid by the relevant Investor;</p> <p>- with respect to AZ ESKATOS – Multistrategy ILS Feeder Fund, the high water mark is calculated on a Class-by-Class basis, and at the end of any given named month of a year beginning the first Business Day of January and ending the last Business Day of December (the "Reference Year"), the high water mark of a Class shall be the highest between: (i) the Net Asset Value per Unit of such Class as at the last Business Day of December of the year ended immediately before the beginning of the Reference Year (if such Class was not active at that time, this item shall be replaced by the Initial High Water Mark, as defined below); (ii) the highest Net Asset Value per Unit of such Class recorded during the Reference Year and on which a Performance Fee has been paid. The first high water mark assigned to a Class of AZ ESKATOS – Multistrategy ILS Feeder Fund shall equal the Subscription Price at which the first Units of such Class has been issued ("Initial High Water Mark").</p> |
| "Initial Offer Period" | as defined in chapter 12 "Unit Issue and Subscription Price". |
| "ILS" | insurance linked security which is a financial security embedding insurance like risk. |
| "Investment Adviser" | the entity appointed by the Company to investment advisory services with respect to one or more Sub-funds if and as further specified in the relevant Sub-fund factsheet. |
| "Investment Manager" | the entity appointed by the Company to carry out all or part of the portfolio management duties with respect to one or more Sub-funds if and as further specified in the relevant Sub-fund factsheet. |
| "Investors" | any person who contemplates to subscribe for Units of one or more Sub-funds and, where the context requires, shall include that person as a Unitholder. |
| "JPY" | Japanese Yen, the currency of Japan. |
| "Law" | the Luxembourg Law dated 13 February 2007 on specialised investment funds, as amended. |
| "Management Fee" | fee payable by the Fund to the Company as described in this Prospectus. |
| "Management Regulations" | the Fund management regulations, effective as of 2 May 2019. |
| "Market Timing" | any market timing practice within the meaning of CSSF circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the undertaking for collective investment. |
| "Mémorial" | the Luxembourg <i>Mémorial C, Recueil des Sociétés et Associations</i> . |
| "MiFID II" | directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU. |
| "Net Asset Value" or "NAV" | the net asset value of the Fund, a Sub-fund, a Class or per Unit as determined in accordance with the relevant provisions under chapter 15 "Net Asset Value". |
| "Performance Fee" | the fee payable to the Company in accordance with the relevant Sub-fund |

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| | factsheet in Appendix I. |
| "OECD" | Organization for Economic Cooperation and Development. |
| "P&C" | property and casualty. |
| "P&C ILS" | property and casualty ILS. |
| "PRIIPs KID" | key information document within the meaning of the PRIIPs Regulation. |
| "PRIIPs Regulation" | Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs). |
| "Prospectus" | this prospectus as amended or supplemented from time to time. |
| "Redemption Day" | as defined in chapter 13 "Unit Redemption". |
| "Redemption Price" | as defined in chapter 13 "Unit Redemption". |
| "RESA" | the Luxembourg <i>Recueil Electronique des Sociétés et Associations</i> . |
| "SGD" | the lawful currency of Singapore. |
| "Side-car" | in most cases, stakes of equity of special purpose vehicles conducting reinsurance business and set-up by insurance companies in order to off-load risks to capital markets. |
| "Solvency II" | Directive 2009/138/EC of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance, as amended. |
| "Sub-fund" | a specific portfolio of assets and liabilities within the Fund having its own Net Asset Value and represented by one or more Class(es). Each Sub-fund's name shall be deemed to contain at its beginning the terms "AZ ESKATOS". |
| "Subscription Day" | as defined in chapter 12 "Unit Issue and Subscription Price". |
| "Subscription Price" | as defined in chapter 12 "Unit Issue and Subscription Price". |
| "Transfer Agent" | Edmond de Rothschild Asset Management (Luxembourg). |
| "Transformer" | a particular type of special purpose vehicle which converts one type of risk related to insurance or reinsurance contracts into another type of financial risk including the risk related to financial derivative instruments and/or vice versa. |
| "UCI" | undertaking for collective investment, i.e. undertaking the sole objective of which is the collective investment in securities, financial instruments and other assets. |
| "UCITS" | undertakings for collective investment in transferable securities authorised in accordance with Directive 2009/65/EC, as may be amended from time to time. |
| "Units" or "Unit" | a registered unit or registered units of no par value of any Class. |
| "Unitholder(s)" | a holder of Units. |
| "USD" | the lawful currency of the United States of America. |

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| "Valuation Day" | a day as of which the Net Asset Value per Unit or Class is determined, as specified in the relevant Sub-fund factsheet in Appendix I. |
| "Well-Informed Investors" | <p>any institutional or professional investor under the meaning of Luxembourg laws and regulations or, any other investor who (i) adheres in writing to the status of well-informed investor and (ii) (a) invests a minimum of Euro 125,000 or its equivalent in a foreign currency in the Fund or (b) has been the subject of an assessment made by a credit institution within the meaning of Directive 2006/48/EC or an investment firm within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC or an alternative investment fund manager within the meaning of the AIFM Directive certifying his/her/its expertise, his/her/its experience and his/her/its knowledge in adequately appraising an investment in the Fund.</p> <p>The conditions set forth above are not applicable to the members of the Board of Directors and other persons who intervene in the management of the Fund.</p> |

AZ ESKATOS (the "**Fund**"), created and managed by AZ Fund Management S.A. (the "**Company**") is officially registered as a mutual fund - specialised investment fund (*fonds commun de placement – fonds d'investissement spécialisé*) under the Law. The Fund qualifies as an alternative investment fund within the meaning of article 1(39) of the AIFM Law. AZ Fund Management S.A. acts as management company and as external alternative investment fund manager of the Fund within the meaning of article 1(49) of the AIFM Law. Nonetheless, its registration is not an indication of approval by the Luxembourg authorities of the quality or accuracy of the present Prospectus or the Fund's investment portfolio. Any indication to the contrary would be unauthorised and unlawful.

The Company's Board of Directors has taken all the necessary steps to ensure that the information provided in the Prospectus is true and accurate and that no significant details have been omitted that would lead to an incorrect interpretation of the information provided.

Any information or indication not contained in this Prospectus or in the financial statements that form an integral part thereof shall be considered unauthorised. Neither the delivery of this Prospectus nor the offer, issue or sale of Units of the Fund constitute a statement of the accuracy of the information provided in this Prospectus after the Prospectus reporting date (it being understood that pursuant to the Law, essential elements of this Prospectus shall be kept up to date when new securities are issued to new Investors). This Prospectus shall thus be updated in due course to incorporate any significant changes, including in particular the launch of any new Sub-fund. It is therefore recommended that Unitholders request information from the Company regarding any further Prospectus publications on the issue of Sub-fund Units.

Each Investor must be aware that subscription for or acquisition of one or more Units implies its complete and automatic adherence (i) to the content of the Prospectus and (ii) to the fact that any amendment conveyed to the Prospectus following an acceptable and validly implemented procedure described in the paragraphs of chapter 26 "*Procedures for amending the Prospectus*" shall bind and be deemed approved by all Investors.

Any information which the Company is under a mandatory obligation (i) to make available to Investors before investing in the Fund, including any material change thereof and updates of this Prospectus' essential elements, or (ii) to disclose (the case being periodically) to Investors (each such information under (i) or (ii) being hereafter referred to as a "**Mandatory Information**") shall be validly made available or disclosed to Investors via and/or at any of the legally acceptable information means listed in the Management Regulations (the "**Information Means**").

Investors are reminded that certain Information Means (each hereinafter an "**Electronic Information Means**") require an access to internet and/or to an electronic messaging system and that, by the sole fact of investing or soliciting an investment in the Fund, Investors acknowledge the possible use of Electronic Information Means and confirm having access to internet and to an electronic messaging system allowing them to access any Mandatory Information made available or disclosed via an Electronic Information Means.

In principle, this Prospectus mentions the specific relevant Information Means via and/or at which an Investor may access any Mandatory Information that is not available or disclosed in this Prospectus. If this were not the case, Investors acknowledge that the relevant Information Means is available or disclosed at the registered office of the Company. No Investor will be allowed to invoke or claim the unavailability or non-disclosure of any Mandatory Information if this Mandatory Information was contained in this Prospectus or was available or disclosed via and/or at the relevant Information Means available or disclosed at the registered office of the Company.

The Fund has not been registered as investment companies in the United States. Securities issued by the Fund have also not been and will not be registered under the Securities Act and, as such, may not be offered or sold in the United States to Restricted Persons as hereinafter defined:

any person or entity located in the United States (including US residents), (ii) any partnership, corporation or other entity which is organized under the laws of the United States or any state thereof, (iii) any United States military personnel or any personnel associated with a branch or agency of the United States government located outside the United States, or (iv) any other person that would be considered to be a US Person within the meaning of Regulation S under the United States Securities Act of 1933, as amended ("**Securities Act**") (such persons, collectively "**Restricted Persons**"), for the purpose of the Restricted Person acquiring securities of any Fund.

Investors and potential buyers of Units are advised to inform themselves of any taxation consequences, legal controls, foreign exchange restrictions and exchange control regulations to which they may be

subject in their respective countries of domicile, citizenship or residence, and which may be applied to the subscription, purchase, ownership or sale of Units.

Investors should refer to the information contained in the Data Protection section.

Units in the Fund may be offered to Investors in the EU/EEA who do not qualify as a professional client or who are not, on request, treated as a professional client within the meaning of Annex II of MiFID II ("**Non-Professional Investors**"). In this respect, key information documents in accordance with the PRIIPs Regulation ("**PRIIPs KIDs**") have been prepared for the Sub-funds and/or Classes of Units which are offered to Non-Professional Investors. PRIIPs KIDs will be provided to Non-Professional Investors in the EU/EEA (free of charge) before a subscription to Units in the Fund by such Investor is accepted. The PRIIPs KIDs can also be obtained at the registered office of the Fund.

SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS ARE UNDERTAKEN USING FORWARD PRICING.

THE COMPANY DOES NOT AUTHORISE PRACTICES ASSOCIATED WITH MARKET TIMING AND RESERVES THE RIGHT TO REJECT APPLICATIONS FOR SUBSCRIPTIONS OR CONVERSIONS FROM INVESTORS SUSPECTED OF ENGAGING IN SUCH PRACTICES AND TO UNDERTAKE, WHERE APPLICABLE, THE NECESSARY MEASURES TO PROTECT OTHER INVESTORS IN THE FUND. IN THE EVENT THAT AN APPLICATION IS PLACED BY AN INVESTOR SUSPECTED OF ENGAGING IN MARKET TIMING PRACTICES, THE COMPANY RESERVES THE RIGHT TO REJECT ANY SUBSEQUENT SUBSCRIPTION APPLICATIONS FROM SAID INVESTOR.

AZ ESKATOS

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AZ ESKATOS

Company of the Fund

AZ Fund Management S.A.
35, avenue Monterey
L-2163 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Company of the Fund

Chairman of the Board of Directors

Alessandro Zambotti, Chief Financial Officer of Azimut Holding S.p.A. and Board member of AZ International Holdings S.A., Azimut Holding S.p.A., CGM Italia SGR S.p.A., Azimut Libera Impresa SGR S.p.A. and Vice-president of Azimut Capital Management SGR S.p.A.

Members of the Board of Directors

Giacomo Mandarino, Board member of AZ Life Dac and Chairman of Eskatos Capital Management S.à r.l.

Andrea Aliberti, General Manager and Chief Investment Officer of AZ Fund Management S.A, Board member of Azimut Holding S.p.A., AZ International Holdings S.A. and Katarsis Capital Advisors SA, Board member and Chief Executive Officer of Azimut Capital Management SGR S.p.A.

Claudio Basso, Senior Fund Manager and Vice Chief Investment Officer of AZ Fund Management SA, Board member of AZ International Holdings S.A. and AZ Life Dac.

Raffaella Sommariva, Senior Fund Manager of AZ Fund Management SA and Board member of AZ International Holdings S.A. and Eskatos Capital Management S.à r.l.

Filippo Fontana, President of AZ Sinopro Insurance Planning Limited, Board member of AZ Life Dac, AZ International Holdings S.A. and Katarsis Capital Advisors SA.

Ramon Spano, Senior Fund Manager of AZ Fund Management S.A.

Marco Vironda, Fund Manager of AZ Fund Management S.A.

Giuseppe Pastorelli, Portfolio Manager of AZ Fund Management S.A.

Saverio Papagno, Senior Analyst of AZ Fund Management S.A.

Administrator, Paying Agent, Registrar and Transfer Agent

Edmond de Rothschild Asset Management (Luxembourg)
20, boulevard Emmanuel Servais
L-2535 Luxembourg
Grand Duchy of Luxembourg

Depositary

Edmond de Rothschild (Europe)
20, boulevard Emmanuel Servais
L-2535 Luxembourg
Grand Duchy of Luxembourg

Analyst

Katarsis Capital Advisors SA
3, via Fogazzaro, CH-6900 Lugano
Switzerland

External Evaluator

Ernst & Young S.A.
35E, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Auditor of the Fund and the Company

PricewaterhouseCoopers, *Société coopérative*
2, rue Gerhard Mercator, L-1014 Luxembourg
Grand Duchy of Luxembourg

Legal Adviser to the Fund

Elvinger Hoss Prussen, *société anonyme*
2, Place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

1. Establishment – Legal form

The Fund is a mutual fund established under Luxembourg law, pursuant to the Law, created in accordance with the Management Regulations approved on 30 April 2019, effective as of 2 May 2019, by the Board of AZ Fund Management S.A. and a notice of its deposit with the Luxembourg Register of Commerce and Companies was published in the RESA on 3 May 2019. The Fund is registered with the Register of Commerce and Companies under number K1954. As a mutual fund, the Fund has no legal personality. Its assets belong to its Investors (joint owners) and are (and shall remain) separate from those of the Company and any other investment fund managed by the Company.

The Fund is formed by a collection of assets belonging jointly to its Investors, managed in the sole interest of said Investors by the Company according to the principle of risk-spreading.

The Fund has been set up with multiple compartments (each a "**Sub-fund**") and each Sub-fund corresponds to a distinct part of the assets and liabilities of the Fund. The features and investment policies of each Sub-fund are described in the relevant Sub-fund factsheet in Appendix I. The Company may create at any time new Sub-funds within the Fund. Upon creation of each new Sub-fund, this Prospectus will be updated accordingly with detailed information on each new Sub-fund. The Company may liquidate any Sub-fund and distribute its net assets amongst its Unitholders in proportion to the Units held, as described in chapter 22 "Duration, merger, liquidation and closure of Fund or of Sub-funds".

The base currency of the Fund is the EUR and all the financial statements of the Fund will be presented in EUR.

The Fund qualifies as an AIF within the meaning of the AIFM Law and the Company is its external alternative investment fund manager ("**AIFM**").

2. Fund Objectives

The main objective of the Fund is to offer Unitholders the possibility to engage in the professional management of a portfolio of assets and to offer investments aiming at providing favourable returns while controlling the risk/return ratio. This objective shall be achieved by means of active management which takes into account the criteria of liquidity, risk-sharing and quality of investments.

The Fund may also use/invest in techniques and financial derivative instruments as further detailed in the relevant Sub-fund factsheet in Appendix I.

The Company shall manage the assets of the Fund in order to meet the established targets; it may not, however, guarantee that it will succeed in reaching these targets in view of stock market fluctuations and other risks involved with investment in assets listed in the investment policies of each Sub-fund as shown in the relevant Sub-fund factsheet in Appendix I.

3. Investment policy and restrictions

The Fund is subject to the following general investment restrictions. The investment policy of a Sub-fund may be subject to different or additional investment restrictions than those provided below, in which case such different or additional restrictions are disclosed in the relevant Sub-fund factsheet in Appendix I.

- (i) No Sub-fund may have a direct exposure of more than 30% of its net assets in securities of the same kind issued by the same issuing body.

This restriction does not apply:

- to investments in securities issued or guaranteed by a member state of the OECD, or by its local authorities or by supranational institutions and bodies of a European, regional or worldwide nature;
- to investments in investment vehicles which are subject to risk diversification requirements at least similar to those provided for in relation to investment vehicles governed by the Law.

For the application of this restriction, each compartment of a target issuer with an umbrella structure is to be considered as a separate issuer, provided that the principle of segregation of commitments of the different compartments of such target issuer in relation to third parties is ensured.

- (ii) Short sales may not have as a consequence that a Sub-fund holds a short position on securities of the same kind issued by the same issuing body representing more than 30% of its net assets.
- (iii) When making use of financial derivative instruments, a Sub-fund must ensure a comparable risk diversification through a correspondent risk diversification of the underlying assets. To the same extent,

the counterparty risk in an OTC transaction must, where applicable, be limited according to the quality and the qualification of the counterparty.

- (iv) Each Sub-fund may borrow up to a percentage of its net assets to be defined in the relevant Sub-fund factsheet with no restriction in respect of the intended use thereof.
- (v) Any Sub-fund may depart from the diversification restrictions above for a period of twelve 12 months from its launch.
- (vi) If any of the above percentages are exceeded as a result of the exercise of subscription rights or as a result of any events other than the making of investments, the situation shall be remedied taking due account of the interests of the Unitholders.
- (vii) Any Sub-fund (the "**Investing Sub-Fund**") may subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-funds (each a "**Target Sub-Fund**") under the conditions however that:
 - the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund;
 - voting rights, if any, attaching to the securities issued by the Target Sub-Fund to the Investing Sub-Fund are suspended for as long as these securities are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
 - in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the combined net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

Additional or different investments rules and restrictions may apply to a specific Sub-fund, as specified in the relevant Sub-fund factsheet in Appendix I.

As at the date of this Prospectus, the Fund does not engage in securities financing transactions as referred to in Regulation (EU) 2015/2365 on the transparency of securities financing transactions and reuse and amending Regulation (EU) 648/2012 ("**SFTR**") (i.e., repurchase/reverse repurchase transactions, securities lending and securities borrowing, buy-sell or sell-buy transactions, lending transactions with margin call). Should the Board decide to provide this opportunity, and should the Fund enter into transactions covered under the SFTR, the AIFM will disclose all the relevant information to Investors in the annual report referred to in Article 22 of Directive 2011/61/EU and in the disclosure to Investors referred to in Article 23(1) and (3) of Directive 2011/61/EU.

The Fund reserves the right to use cash (denominated in euros and/or US dollars) as financial guarantees (collaterals).

At the date of this Prospectus, the Fund will not accept collaterals other than cash.

4. General Risk Factors

Investment in any Sub-fund carries with it a degree of risk, including, but not limited to, those referred to below and in the relevant Sub-fund factsheet in Appendix I. Potential Investors should review the Prospectus in its entirety and consult with their legal tax and financial advisors prior to making an investment decision.

There can be no assurance that the Sub-funds will achieve their investment objectives and past performance should not be seen as a guide, nor as a guarantee of future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

The following risks must be considered:

I. Risks linked to changes on value of securities

The change in security value is linked to the peculiar characteristics of the issuer (financial standing, economical expectations within its sector), and the reference markets trend. For shares, the change in value is determined by the evolution of securities markets; for fixed-income securities, the change in value is affected by the evolution of interest rates on money and financial markets; for ILS the change in value is affected mainly by the occurrence of catastrophic events.

II. Risks linked to securities liquidity

Securities liquidity depends on the characteristics of the market on which they are traded. In general, the securities traded on regulated markets are more liquid and, as such, involve less risk as they are more easily convertible.

It should also be noticed that the fact that a security is not listed on a stock exchange makes the assessment of its value more difficult since any such valuation is discretionary.

III. Risks linked to the currency in which securities are denominated

There may be considerable exchange rate fluctuations between the different currencies in which securities and the investments of the Sub-funds are denominated and the reference currency of the Sub-funds which can negatively impact the net asset value of the Sub-funds.

IV. Risks linked to emerging markets

Transactions on emerging markets make the Investor take considerable additional risks, as the regulation of these markets does not provide for the same guarantees as far as protection of Investors is concerned. The risks linked to the political-economic situation of the issuer's country of origin must be considered, too.

In some countries there is a risk of asset expropriation, confiscation tax, political or social instability or diplomatic developments which could affect investments in those countries. Information on certain securities and certain money market instruments and financial instruments may be less accessible to the public and entities may not be subject to requirements concerning auditing of accounts, accounting or recording comparable to those some Investors are used to. While generally increasing in volume, some financial markets have, for the most part, substantially less volume than most developed markets and securities of many companies are less liquid and their prices are more volatile than securities of comparable companies in larger markets. In many of these countries, there are also very different levels of supervision and regulation of markets, financial institutions and issuers, in comparison to more developed countries. In addition, requirements and limitations imposed in some countries to investments by foreigners may affect the performance of some Sub-funds. Any change in laws or currency control measures subsequent to an investment can make the repatriation of funds more difficult. Risk of loss due to lack of adequate systems for the transfer, pricing, accounting and custody of securities may also occur. The risk of fraud related to corruption and organised crime is significant.

Systems to settle transactions in emerging markets may be less well organised than in more developed countries. There is a risk that the settlement of transactions be delayed and that assets or securities of the Sub-funds are jeopardised because of the failure of such systems. In particular, market practice may require that payment be made before receipt of the securities purchased or that a security be delivered before the price is received. In such cases, default of a broker or bank through which the transaction was to be made will result in a loss for the Sub-funds that have invested in such securities.

V. Risks linked to investment in other UCIs

Investments in other UCIs entail for the Sub-funds, indirectly, the same risks that those described above and below in relation to the assets in which the UCIs invest. In addition, UCIs may generally suspend net asset value calculation or apply gate redemptions in the circumstances described in their offering documents, which may negatively impact the Sub-fund.

Investment in other UCIs can lead to duplication of certain costs and expenses charged to the Sub-fund and such investments can generate a double withdrawal of costs and fees which are levied at the Sub-fund level and at the level of UCIs in which it invests.

VI. Risks linked to investment in derivative products

Derivative products involve a number of risks and constraints. The risks of these products heavily depend on the positions taken by a Sub-fund. In some cases the loss is limited to the aggregate amount invested, while in other cases it may exceed the aggregate amount invested into the position.

The use of financial derivative instruments such as futures contracts, options contracts, warrants, forward, swaps, cat swap, longevity swap and swaptions, involves greater risks. The ability to successfully use such instruments depends on the ability of managers to accurately assess the insurance risks embedded in the instruments and/or to anticipate changes in stock prices, interest rates, exchange rates or other economic factors as well as in the accessibility of liquid markets. If managers' forecasts are wrong, or if the derivatives do not work as expected, this may result in greater losses than if these derivatives were not used.

In some cases, the use of the above instruments can have a leverage effect. This leverage adds additional risks because the losses may be disproportionate to, or exceed, the amount invested in these instruments. These instruments are highly volatile and their market values may be subject to significant fluctuations.

5. Risk Management Process

The Company will employ a risk-management process which enables it to measure, manage and monitor in an appropriate manner the risk of the positions and their contribution to the overall risk profile of each Sub-fund.

6. Management and administration

I. Company of the Fund

The Fund is managed by the Company, acting in its name and on behalf of the Fund and its Unitholders.

The Company is a public limited liability company (*société anonyme*) established under Luxembourg Law on 24 December 1999 and named "AZ Fund Management S.A.". The Company's registered office is located at 35, Avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg. The Company's articles of association (the "**Articles of Association**") were filed with the Register of the Commerce and Companies on 21 January 2000 and published in the *Mémorial* on 15 March 2000.

The Articles of Association were amended for the last time on 10 January 2019 with publication in the RESA on 5 March 2019.

The Company is registered under number B 73.617 with the Luxembourg Register of Commerce and Companies.

As at the date of this Prospectus, the Company acts as management company for other investment funds, the list of which is available, upon request at the registered office of the Company.

The business purpose of the Company is (i) the collective management of UCITS established under Luxembourg or foreign law, pursuant to Directive 2009/65/EC as amended or replaced as well as other undertakings for collective investment or mutual funds under Luxembourg law and/or foreign law that are not included in said directive and (ii) the collective management of AIF's established under Luxembourg or foreign law, pursuant to the AIFM Directive. The Company is approved by the CSSF as authorised AIFM within the meaning of the AIFM Provisions.

In more detail, the Company performs the following functions, by means of example and not limited to these:

- Fund asset management;
- Risk management;
- Administration:
 - a) legal and fund management accounting services for the Fund,
 - b) dealing with client requests for information and customer inquiries,
 - c) evaluating the portfolio and establishing the value of units,
 - d) regulatory compliance control,
 - e) maintenance of Unitholder register,
 - f) dividends distribution, where applicable,
 - g) issue, redemption and conversion of Units,
 - h) contracts settlements,
 - i) record keeping,
- Marketing/Distribution
- Activities related to the assets of AIFs, namely services necessary to meet the fiduciary duties of the AIFM, facilities management, real estate administration activities, advice to undertakings on capital structure, industrial strategy and related matters, advice and services relating to mergers and the purchase of undertakings and other services connected to the management of the AIF and the companies and other assets in which it has invested.

The Company has nevertheless delegated, under its responsibility and ultimate control, the functions of central administration of the Fund, such as the accounting of the Fund, calculation of the Net Asset Value, subscription, redemption and conversion services and registration of Units to Edmond de Rothschild Asset Management (Luxembourg), which also supervises the delivery of all announcements, statements, notices and other documents to Unitholders. All delegations shall be carried in accordance with the AIFM Provisions. Information about conflicts of interest that may arise from such delegations is available at the registered office of the Company.

The Company has entered into agreements with third parties according to which the intermediaries pay for goods and services (e.g. research, advisory, IT) received by the Company. All goods and services included in these agreements are required for the performance of the Company's investment fund management activity. The contractual conditions and

methods used for these services ensure that transactions performed on behalf of the Fund never take place under unfavourable conditions, given that the intermediary is committed to obtaining "best execution" conditions for the Company.

The Company's fully paid up share capital amounted to EUR 1,125,000 as of on 31 December 2018, represented by 1,250 registered shares worth EUR 1,000 each.

The Company may carry out any activities connected directly or indirectly to, and/or deemed useful and/or necessary for, the accomplishment of its objectives, remaining, however, within the limitations set forth in, but to the furthest extent permitted by, the provisions of its governing laws and regulations.

In accordance with the requirements of Article 9.7 of the AIFM Directive, the AIFM is holding additional own funds which are appropriate to cover potential liability risks arising from professional negligence. More information regarding this cover may be obtained at the Company's registered office.

II. Analyst

The Company manages the portfolio of each Sub-fund and is therefore responsible for the compliance with the investment objectives, restrictions and policies of each Sub-fund.

The Company has appointed Katarsis Capital Advisors SA as Analyst. The Company is entitled to request any type of financial and/or actuarial analysis from the Analyst.

The Analyst provides, amongst others:

- a) research and technical advice on markets and instruments;
- b) recommendations on instruments; and
- c) support in drafting reports on portfolio management and performance.

For the avoidance of doubt, the Analyst cannot take a portfolio decision for the account of any Sub-fund.

III. External Evaluator

The Company has appointed Ernst & Young S.A. as External Evaluator to work with the Company for the proper and independent valuation of part of the assets of the Fund or any of its subsidiaries in compliance with the provisions of the AIFM Law, as further described in Chapter 15 "Net Asset Value".

The External Evaluator is not affiliated to the Company, and it has represented to the Company that it is duly authorised to operate as External Evaluator.

IV. Distributors

The Company can appoint distributors in the countries where Units are traded (the "**Distributors**"). The Distributors shall receive due compensation. In accordance with the local laws of the countries in which Units are distributed, the Distributors may, with the Company's permission, act as nominee on behalf of Investors (nominees are intermediaries which liaise between Investors and their chosen UCIs). In this role, the Distributors shall subscribe or redeem the Units in their own name but, as nominee, shall act on behalf of the Investor. That said, unless otherwise specified by local legislation, Investors are entitled to invest directly in the Fund without using the service of a nominee. Moreover, Investors who choose to subscribe via a nominee shall maintain a direct right to Units thus subscribed.

However, it should be noted that the previous paragraph does not apply in the event that nominee services are indispensable, or even mandatory for legal and regulatory reasons or due to consolidated practices.

The functions of nominee may be exercised exclusively by financial sector professionals, according to Luxembourg law, resident in a FATF member country. The list and details of nominees are available at the Company's registered office.

V. Investment Manager(s)

The Company may delegate all or part of its portfolio management duties with respect to each Sub-fund to one or more Investment Managers if and as further detailed in the relevant Sub-fund factsheet. Where applicable, the name of Investment Manager(s) as well as the fees payable to such Investment Manager(s) are disclosed in the Sub-fund factsheets.

The rights and obligations of the Investment Manager(s) are dictated by one or more contracts (the "**Management Contract(s)**").

VI. Investment Advisor(s)

The Company or the Investment Managers (if any) may also appoint one or more Investment Advisers to advise them on the portfolio management of one or more Sub-fund(s) as further detailed in the relevant Sub-fund factsheet. In order

to establish the targets and investment policies of each Sub-fund as well as to receive advice on the investment of the Fund's assets, the Company may be assisted by one or more Investment Advisors.

The rights and obligations of the Investment Advisor(s) are established by one or more "Investment Advisory Agreements".

For services rendered, the Investment Advisor(s) shall receive an advisory fee for investments, in accordance with the terms and conditions established by the "Investment Advisory Agreement(s)".

7. Fund and Company Auditor

The Fund's financial reports and Company accounts are audited by PricewaterhouseCoopers, *Société coopérative* with registered office at 2, rue Gerhard Mercator, L-1014 Luxembourg, Grand Duchy of Luxembourg in its position as the Fund and the Company's Auditor.

The Auditor must carry out the duties provided by the Law and the AIFM Law. In this context, the main mission of the Auditor is to audit the accounting information given in the annual report.

The Auditor is also subject to certain reporting duties vis-à-vis the regulators as more fully described in the AIFM Provisions and the Law.

8. Depositary Bank

Edmond de Rothschild (Europe) has been appointed to act as depositary bank of the Fund (the "**Depositary**") in accordance with a depositary bank agreement (the "**Depositary Bank Agreement**").

Edmond de Rothschild (Europe) is a bank organized as a *société anonyme*, regulated by the CSSF and incorporated under the laws of the Grand Duchy of Luxembourg. Its registered office and administrative offices are at 20, Boulevard Emmanuel Servais L-2535 Luxembourg, Grand Duchy of Luxembourg.

The Depositary Bank Agreement provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon 90 days' written notice.

The Depositary Bank Agreement is governed by the laws of Luxembourg and the courts of Luxembourg shall have exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Bank Agreement.

The Depositary shall assume its functions and responsibilities in accordance with the Luxembourg applicable laws and regulations and the Depositary Bank Agreement.

In particular, the Depositary shall be liable to the Fund or to the Unitholders for the loss of the Fund's financial instruments held in custody (as defined in the AIFM Law) by the Depositary or its delegates to which it has delegated its custody functions. A loss of a financial instrument held in custody by the Depositary or its delegate shall be deemed to have taken place when the conditions of article 100 of the Commission Regulation are met.

In case of loss of the Fund's financial instruments held in custody by the Depositary or any of its delegates, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund without undue delay. However, the Depositary's liability shall not be triggered provided the Depositary can prove that the conditions of article 101 of the Commission Regulation are fulfilled.

The Depositary's liability shall not be affected by any delegation of its custody functions unless it has discharged itself of its liability in accordance with article(s) 19 (13) and/or 19 (14) of the AIFM Law and the Commission Regulation.

At the date of this Prospectus, the Depositary has not entered into any agreements to contractually transfer responsibility to a third party within the meaning of Article 19 (13) or 19 (14) of the AIFM Law.

Under no circumstances shall the Depositary be liable to the Fund, the AIFM or any other person for indirect or consequential damages and the Depositary shall not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Depositary has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

Look through – The Depositary’s duty regarding monitoring of cash flows shall not apply to cash held by financial and/or, as the case may be, legal structures directly or indirectly controlled by the AIFM acting on behalf of the Fund.

The Depositary’s safekeeping duties with respect to financial instruments shall apply on a look-through basis to underlying assets held by financial and, as the case may be, or legal structures directly or indirectly controlled by the AIFM acting on behalf of the Fund. However, this does not apply to fund of funds structures or master-feeder structures where the underlying funds have a depositary which keeps in custody the assets of these funds.

The Depositary’s safekeeping duties with respect to other assets shall apply on a look-through basis to underlying assets held by financial and, as the case may be, or legal structures established by the AIFM acting on behalf of the Fund for the purpose of investing in the underlying assets and which are controlled directly or indirectly by the AIFM acting on behalf of the Fund. This does not apply to fund of funds structures and master-feeder structures where the underlying funds have a depositary which provides ownership verification and record-keeping functions for this fund’s assets.

The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Fund and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document other than the above description. The Depositary shall not have any investment decision-making role in relation to Fund. Decisions in respect of the purchase and sale of assets for the Fund, the selection of investment professionals and the negotiation of commission rates are made by the AIFM and/or its delegates. Unitholders may ask to review the Depositary Bank Agreement at the registered office of the AIFM should they wish to obtain additional information as regards the precise contractual obligations and limitations of liability of the Depositary.

The Depositary may sub-contract all or part of its functions to one or more sub-contractor(s) which, in view of functions to be sub-contracted, has/have to be qualified and competent for performing them. The Depositary’s liability shall not be affected by such sub-contracting.

The fees and charges of the Depositary in connection with the investment activities and operations of the Fund are borne by the Fund in accordance with common practice in Luxembourg.

9. Administrative, registrar and transfer agent

Pursuant to a central administration agreement (the "**Central Administration Agreement**"), the Fund has appointed Edmond de Rothschild Asset Management (Luxembourg) as administrative, registrar and transfer agent of the Fund (the "**Administrator**").

Edmond de Rothschild Asset Management (Luxembourg) is in charge of processing of the issue, redemption and conversion of the Units and settlement arrangements thereof, keeping the register of the Fund’s Unit holders, calculating the Net Asset Value, maintaining the records, verifying that Investors qualify as Well-Informed Investors under the Law and other general functions as more fully described in the Central Administration Agreement for SIF.

The Administrator will not be liable for the investment decisions regarding the Fund nor the consequences of such investment decisions on the Fund’s performance and they are not responsible for the monitoring of the compliance of the Fund’s investments with the rules contained in its Articles of Association and/or its Prospectus and/or in any investment management agreement(s) concluded between the Fund/the AIFM and any investment manager(s).

The Central Administration Agreement provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon 90 days' written notice.

In consideration of the services rendered, the Administrator receives a fee as detailed in section 18 of this Prospectus.

The Administrator may sub-contract all or part of its functions to one or more sub-contractor(s) which, in view of functions to be delegated, has/have to be qualified and competent for performing them. The Administrator’s liability shall not be affected by such sub-contracting.

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

10. Unitholder rights

In accordance with the Law, Units are exclusively restricted to Well-Informed Investors.

Any Well-Informed Investor, be it/her/him a natural or legal entity, may become a Unitholder and may acquire one or more Units of the various Sub-funds by paying the subscription price calculated based on and according to the methods indicated in chapters 12 "Unit Issue and Subscription Price" and 15 "Net Asset Value" and in the relevant Sub-fund factsheet in Appendix I.

Unitholders have the right to joint ownership of the Fund's assets. By subscribing Units, Unitholders accept the terms of the Prospectus and the Management Regulations and any amendments thereof (subject in this case to the one-month free redemption right that could be granted by the Luxembourg regulator in case of material change to the Prospectus or Management Regulations).

For each Sub-fund, each of the Units is indivisible. The joint owners, as well as remaindermen and usufructuaries of Units shall be represented by a single person for dealing with the Company and Depositary. Unit rights may not be exercised unless the said conditions have been met.

An Investor or successor may not request that the Fund be liquidated or divided.

No annual general meetings of Unitholders shall be held.

11. Unit Classes

The Board may decide to issue different Classes within each Sub-fund as further detailed in the relevant Sub-fund factsheet in Appendix I.

These types of Units may vary in terms of fee rate, reference currency, hedging policy, type of Investors (or in terms of any other distinctive features).

Units will be issued in registered form only and no Unit certificates shall be issued to Investors.

12. Unit Issue and Subscription Price

Subscription applications for the various Sub-funds may be made on any Business Day via the Transfer Agent in accordance with the provisions specified in the relevant Sub-fund factsheet in Appendix I. The Company may appoint other institutions to receive subscription applications to be transmitted to the Depositary for execution.

Investors shall receive written confirmation of their investment.

Any subscription taxes, fees and charges are payable by the Investor. Any subscription fees are normally collected by Distributors, by the Company or the Transfer Agent, upon instruction from the Company.

I. Initial Offer Period

Applications for subscriptions may be made during the initial offer period specified in the relevant Sub-fund factsheet in Appendix I (the "**Initial Offer Period**"). Any Initial Offer Period may be extended or terminated earlier by the Board acting in its sole discretion, provided that Investors shall be duly informed of such decision. The Board reserves the right to launch the Sub-funds at a later date.

II. Initial Issue of Units

Units will be allotted on the First Subscription Day or such other Business Day as may be determined by the Company at the initial subscription price specified in the relevant Sub-fund factsheet in Appendix I (the "**Initial Subscription Price**"), plus any applicable subscription fee and charge.

If the Company is of the opinion that it is not in the interests of Investors or commercially viable to proceed with the launch of any Sub-fund, the Company may determine in its sole and absolute discretion to extend the Initial Offer Period of the Sub-fund(s) concerned or to not issue any Units. If the Company decides not to launch any Sub-fund, subscription monies paid by the applicants will be returned without interest via bank transfer at the risk and expense of the applicants within 5 Business Days following the First Subscription Day.

III. Initial Subscription Price

During any Initial Offer Period, the subscription price per Unit of each Class is the Initial Subscription Price as determined by the Company, plus any applicable subscription fee and charges, which may be waived by the

Company in its absolute discretion, and/or usual dealing charges. The Initial Subscription Price is made available at the registered office of the Company.

IV. Minimum Initial Subscription and Holding Amounts

The Board will set and waive in its sole discretion a minimum initial investment amount and a minimum ongoing holding amount per Class in each Sub-fund for each registered Unitholder, to be specified in the relevant Sub-fund factsheet in Appendix I.

V. Methods of Communication

For an Investor's initial application for Units of any Class the original application form must be received by the Administrator in its capacity as the Fund's transfer agent before the applicable subscription deadline specified in the relevant Sub-fund factsheet of Appendix I. Subsequent applications for Units may be sent via the mean indicated within the most recent subscription pack (a copy of which may be obtained upon request from the Company or the Administrator) to and must be received by the Administrator in its capacity as the Fund's transfer agent before the applicable subscription deadline specified in the relevant Sub-fund factsheet in Appendix I.

VI. Subsequent Subscriptions

Applications for subscription made after the Initial Offer Period may be made on or prior to any day that is a subscription day to be specified in the relevant Sub-fund factsheet in Appendix I (the "**Subscription Day**") for the Class concerned (or on such other days as the Board may from time to time determine), subject to any prior notice requirements specified in the relevant Sub-fund factsheet in Appendix I. The Board may discontinue generally, or in respect of one or more specific jurisdictions where the Units are offered, the issue of new Units in any Sub-fund or Class at any time in its sole discretion.

The Board will set and waive in its discretion a minimum subsequent subscription amount, to be specified in the relevant Sub-fund factsheet in Appendix I.

The Company has the discretion to close the Sub-funds for subscription as it considers appropriate.

VII. Unit Fractions

Unit fractions may be issued up to three decimal places.

VIII. Prior Notice Requirements

The Board may in its discretion refuse to accept any application for subscription received after the subscription deadline on which such application is due as specified in the relevant Sub-fund factsheet in Appendix I.

IX. Subscription Price Per Unit

After any Initial Offer Period, the subscription price per Unit of each Class (the "**Subscription Price**") is the Net Asset Value per Unit of such Class determined as at the Subscription Day on which the application has been accepted, increased by any applicable initial subscription fee and charges as specified in the relevant Sub-fund factsheet in Appendix I.

Pursuant to the Management Regulations, in determining the Subscription Price, the Board has discretion to increase the Net Asset Value per Unit by the addition of appropriate fiscal and sales/dealing charges. The details of such subscription fee and charges will be disclosed in the relevant Sub-fund factsheet in Appendix I.

X. Payment of Initial Subscription Price and Subscription Price

Units are issued by the Administrator in its capacity as the Fund's transfer agent subject to payment of the subscription price to the Depositary.

Payment shall be made via bank transfer to the Depositary in the reference currency of the Sub-fund or Class (if different) concerned.

The Initial Subscription Price and Subscription Price of the Units subscribed must be received in immediately available funds by the Depositary or its agent in the currency of the concerned Class of Units within five (5) Business Days from the Valuation Date used to establish the applicable subscription price. In any case in order to verify the respect of minimum subscription amount for each Sub-fund it will use the exchange rate between the subscription currency and the reference currency of the Sub-fund or Class (if different) on the currency negotiation date.

Unless otherwise specified in the relevant Sub-fund factsheet in Appendix I, no interest will be paid on payments received prior to the closing date of any Initial Offer Period or prior to any Subscription Day.

The Company may, at its own discretion and in accordance with the Management Regulations, accept securities complying with the investment policy of the Sub-fund(s) concerned, in exchange for subscription payment if deemed in the interest of Unitholders.

For all securities accepted as payment for subscription, to the extent legally or regulatory required, the Depositary shall request an assessment report from the Auditor citing the quantity, denomination and valuation method adopted for such securities. The report shall also establish the total value of the securities expressed in the initial currency and that of the Sub-fund. The applicable exchange rate shall be the last available rate. Securities accepted as payment for subscription are valued in accordance with the relevant provisions under chapter 15 "Net Asset Value". The Company reserves the right to refuse securities in exchange for subscription payment, at its own discretion and without justification.

Any costs incurred in connection with a contribution in kind of the securities will be borne by the subscribing Unitholder.

XI. Acceptance of Subscriptions

The Company reserves the right to accept or refuse any application to subscribe Units in whole or in part. To the extent that any Investor is subject to any investment restrictions or limitations, these should be disclosed at the time of subscription applications.

XII. Suspension of Subscriptions

The Company will suspend the issue of Units of any Sub-fund or Class whenever the determination of the Net Asset Value of such Sub-fund or Class is suspended. The Company may also suspend the offer of Units at any time or from time to time either generally, or in respect of one or more jurisdictions in which the Units are offered.

XIII. Irrevocability of Subscriptions

Any request for subscriptions shall be irrevocable and may not be withdrawn by any Investor in any circumstance, except in the event of a suspension of the determination of the Net Asset Value of the relevant Sub-fund or Class. In the event of a suspension, the Fund will process the subscription requests on the first applicable Subscription Day following the end of the period of suspension.

XIV. Luxembourg Anti-Money Laundering and Prevention of Terrorism Financing Regulations

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended) as well as circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must ascertain the identity of the Investors. Accordingly, the Administrator may require, pursuant to its risks based approach, Investors to provide proof of identity. In any case, the Administrator may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons unless if required by applicable laws and regulations.

In case of delay or failure by an Investor to provide the documents required, the application for subscription may not be accepted and in case of redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Fund/the Company, nor the Administrator have any liability for delays or failure to process deals as a result of the Investor or the subscriber providing no or only incomplete documentation.

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

From time to time, Unitholders may be asked to supply additional or updated identification documents in accordance with clients' on-going due diligence obligations according to the relevant laws and regulations.

13. Unit Redemption

I. Redemption Procedure

Subject to the restrictions provided in this Prospectus and the relevant Sub-fund factsheet in Appendix I, any Unitholder may apply for the redemption of some or all of his Units in cash.

Units will be redeemed at the Net Asset Value per Unit determined as at the redemption day as specified in the relevant Sub-fund factsheet in Appendix I (the "**Redemption Day**") in relation to which the redemption application has been accepted. If the value of a Unitholder's holding on the relevant Redemption Day is less than the fixed amount which the Unitholder has applied to redeem, the Unitholder will be deemed to have requested the redemption of all of its Units.

Redemption applications must be sent to the Transfer Agent or other institutions appointed for this purpose in accordance with the provisions specified in the relevant Sub-fund factsheet in Appendix I. Valid applications must specify the number of Units to be redeemed and the relevant Sub-fund and class of Unit to be redeemed.

Investors should note that the Redemption Price (as defined below) and hence redemption proceeds payable on redemption may be affected by the fluctuations in value of the Sub-fund's underlying investments during the period between the submission of a redemption request and the date on which the Redemption Price is calculated.

II. Prior Notice Requirements

The Company will, unless otherwise decided in its discretion refuse to accept any application for redemption received after the redemption deadline by which such application is due as specified in the relevant Sub-fund factsheet in Appendix I. Such applications will be dealt with on the next following Redemption Day.

III. Minimum Holding Amount

The Company may at any time decide to compulsorily redeem all Units from any Unitholder whose holding is less than the minimum holding amount specified in the relevant Sub-fund factsheet in Appendix I. Before any such compulsory redemption or switching, each Unitholder concerned will receive one month's prior notice to increase his holding above the applicable minimum holding amount at the applicable Net Asset Value per Unit.

IV. Redemption Charge

In each Class of each Sub-fund, a redemption charge payable to the Sub-fund, as set out in the relevant Sub-fund factsheet in Appendix I, may be charged or waived in whole or in part at the discretion of the Company, as specified in the relevant Sub-fund factsheet in Appendix I.

V. Redemption Price per Unit

The redemption price per Unit of each Class (the "**Redemption Price**") is the Net Asset Value per Unit of such Class determined as at the Redemption Day on which the redemption application has been accepted, reduced by any applicable redemption charge, fees, taxes and stamp duties.

VI. Payment of Redemption Proceeds

Payment of redemption proceeds will normally be made to the registered Unitholder following the redemption request provided that all relevant original redemption documentation has been received by the Transfer Agent. Redemption proceeds will be paid by bank transfer in the reference currency of the Sub-fund or Class (if different) within the number of Business Days- as indicated in the factsheet of each Sub-fund - following calculation of the Net Asset Value applicable to establish the amount of redemption unless otherwise provided in the relevant Sub-fund factsheet in Appendix I.

In exceptional circumstances, the Company may, with the prior consent of a redeeming Unitholder, satisfy a redemption request by transferring assets of the Fund to such redeeming Unitholder. The assets transferred will be equal in value to the value of the holding to be redeemed. The nature and type of underlying investments to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Unitholders. The valuation used in respect of such transfers shall be confirmed by a special report of the Auditor to the extent legally or regulatory required, the cost of which shall be borne by the redeeming Unitholder. The Company will ensure that the transfer of assets in cases of such redemptions will not be detrimental to the remaining Unitholders by pro-rating the redemption as far as possible across the entire portfolio of assets. The specific costs for such redemptions, in particular the cost of the special audit report, will be borne by the redeeming Unitholder.

VII. Suspension of Redemptions

Redemption of Units of any Sub-fund or Class will be suspended whenever the determination of the Net Asset Value of such Sub-fund or Class is suspended.

In the event that the amount of the redemption application(s) – direct or referred to conversion between Sub-funds – is equal to or higher than 10% of the Net Asset Value of the Sub-fund in question and if the Company deems that the redemption may be detrimental to the interests of the other Unitholders as a whole, the Company may, if necessary, reserve the right to suspend the redemption application, or declare that part or all of

such units for redemption or conversion will be deferred on a pro rata basis for a period that the Company considers to be in the best interests of the Fund. Nonetheless, the redemption application may in the meantime be revoked by the Unitholder, free of charge. Any redemption request received by the Company during any suspension will be satisfied as of the following Redemption Day after the suspension has been lifted using the relevant Net Asset Value as at that Redemption Day (subject to any applicable notification requirement), unless the request has been withdrawn prior to that day.

VIII. Irrevocability of Redemption Requests

In normal circumstances, except in the event of a suspension of the determination of the Net Asset Value of the relevant Sub-fund or Class or deferral of a Unitholder's request, applications for redemptions of Units are irrevocable and may not be withdrawn by any Unitholder. In the event of such a suspension, the Unitholders of the relevant Sub-fund or Class, who have made an application for redemption of their Units, may give written notice to the Company that they wish to withdraw their application. Further, the Company may at its discretion, taking due account of the principle of equal treatment among Unitholders, decide to accept any withdrawal of an application for redemption.

IX. Compulsory Redemption

The Company will have the right to compulsorily redeem Units of a Unitholder where the aggregate Net Asset Value of his Units is less than the minimum initial holding amount indicated in relevant Sub-fund factsheet in Appendix I and after giving one month prior notice to the Unitholder to increase his holding above the applicable minimum holding amount.

The Company shall have power to impose or relax the restrictions on any Units or Sub-fund (other than any restrictions on transfer of Units, but including the requirement that Units be issued only in registered form), but not necessarily on all Units within the same Sub-fund, as it may think necessary for the purpose of ensuring that no Units in the Fund or no Units of any Sub-fund in the Fund are acquired or held by or on behalf of:

- a) any person in breach of the law or requirements of any country or governmental or regulatory authority (if the Company shall have determined that the Company, the Fund, the Analyst, any investment adviser, any investment manager, any Unitholder or any Connected Person (as defined in the Management Regulations) would suffer any disadvantage as a result of such breach), or
- b) any person in circumstances which in the opinion of the Company might result in the Company, the Fund, the Analyst, any investment adviser, any investment manager or the Unitholders incurring any liability to taxation or suffering any other pecuniary disadvantage which they might not otherwise have incurred or suffered, including a requirement for the Fund, the Company, the Analyst, any investment adviser or any investment manager to register under any securities or investment or similar laws or requirements of any country or authority, or market timing and/or late trading practices, or
- c) any person who, in the opinion of the Company, does not qualify as a Well-Informed Investor.

The Company shall have the power to compulsorily redeem Units in the circumstances under a), b) and c) above.

The Company is also entitled to compulsorily redeem all Units of a Unitholder:

- a) where a Unitholder has transferred or attempted to transfer any portion of its Units in violation of the Prospectus and/or of the Management Regulations; or
- b) where any of the representations or warranties made by a Unitholder in connection with the acquisition of Units was not true when made or has ceased to be true; or
- c) where a Unitholder (i) has filed a voluntary petition in bankruptcy; (ii) has been adjudicated bankrupt or insolvent, or has had entered against it an order for relief, in any bankruptcy or insolvency proceeding; (iii) has filed a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (iv) has filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature; or (v) has sought, consented to or acquiesced in the appointment of a trustee, receiver or liquidator of such Unitholder or of all or any substantial part of the Unitholder's properties; or
- d) in any other circumstances in which the Company determines in its absolute discretion that such compulsory redemption would avoid material legal, pecuniary, tax, economic, proprietary, administrative or other disadvantages to the Fund.

14. Conversions

A conversion operates by way of redemption of Units of the converted Class and the simultaneous issue of Units of the invested Class. Requests for conversion will be processed in accordance with the same cut off time and procedure applicable to the redemption and subscription for Units detailed in the relevant Sub-fund factsheet in Appendix I.

Unitholders may only request conversion of all or some Units held into other Units of the same Class but of a different Sub-fund unless otherwise provided in the relevant Sub-fund factsheet in Appendix I, subject to the approval of the Company.

I. Irrevocability of Conversion Requests

Any request for conversion shall be irrevocable and may not be withdrawn by any Unitholder in any circumstances, except in the event of a suspension of the determination of the Net Asset Value of the relevant Sub-fund or Class. In the event of a suspension, the Fund will process the conversion requests on the first applicable Redemption Day following the end of the period of suspension.

II. Conditions

Acceptance of any application for conversion is contingent upon the satisfaction of any conditions (including any minimum subscription and prior notice requirements and payment of all costs and expenses due) applicable to the Class into which the switch is to be effected. If as a result of a switch, the value of a Unitholder's holding in the new Class would be less than any minimum holding amount specified in the relevant Sub-fund factsheet in Appendix I, the Board may decide not to accept the conversion request. If as a result of a conversion, the value of a Unitholder's holding in the original Class would become less than the minimum holding amount specified in the relevant Sub-fund factsheet in Appendix I, the Company may decide that such Unitholder shall be deemed to have requested the conversion of all of his Units from the original Class to the new Class. The Company reserves the right to change the frequency of conversions or make amendments thereto.

15. Net Asset Value

For each Sub-fund, the Net Asset Value of each Unit of each Class is established by the Administrator, according to a timescale set in the relevant Sub-fund factsheet in Appendix I, unless exceptional circumstances referred to under chapter 16 "Suspension of Net Asset Value calculation, subscription, redemption and conversions" below occur.

The Net Asset Value per Unit is expressed in the reference currency of the relevant Class.

The Net Asset Value per Unit is obtained by dividing the net assets attributable to the relevant Class by the number of outstanding Units of that Class.

Definition of assets

The Company shall establish total net assets for each Sub-fund.

The Fund constitutes a single entity. Nonetheless, it should be noted that in the relations between Unitholders, each Sub-fund is considered as a separate entity composed of a group of separate assets with their own objectives and represented by one or more separate Classes. Moreover, with regards to third parties, and more precisely in regards to the Fund's creditors, each Sub-fund shall bear exclusive responsibility for its own commitments.

In order to establish the different groups of net assets:

- a) if a Sub-fund issues two or more Classes, the assets attributable to such Classes shall be invested in common pursuant to the specific investment objective, policy and restrictions of the Sub-fund concerned;
- b) within any Sub-fund, the Company may determine to issue Classes subject to different terms and conditions, including, without limitation, Classes subject to (i) a specific distribution policy entitling the holders thereof to dividends or no distributions, (ii) specific subscription and redemption charges, (iii) a specific fee structure (iv) a specific hedging policy and/or (v) other distinct features;
- c) the net proceeds from the issue of Units of a Class in relation to a specific Sub-fund are to be applied in the books of the Fund to that Class and the assets and liabilities and income and expenditure attributable thereto are applied to such Class subject to the provisions set forth below;
- d) where any income or asset is derived from another asset, such income or asset is applied in the books of the Fund to the same Sub-fund or Class as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant Sub-fund or Class;
- e) where the Fund incurs a liability which relates to any asset of a particular Sub-fund or Class or to any action taken in connection with an asset of a particular Sub-fund or Class, such liability is allocated to the relevant Sub-fund or Class;

- f) if any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-fund or Class, such asset or liability will be allocated to all the Sub-funds or Classes pro rata to their respective Net Asset Values, or in such other manner as the Company, acting in good faith, may decide; and
- g) upon the payment of distributions to the holders of any Class, the Net Asset Value of such Class shall be reduced by the amount of such distributions.

The assets of each Sub-fund are valued as of each Valuation Day, as defined in the relevant Sub-fund factsheet in Appendix I, as follows:

- a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable and payables, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof;
- b) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis;
- c) the value of securities and/or financial derivative instruments which are quoted, traded or dealt in on any stock exchange (including quoted securities of closed-ended underlying funds) shall be based on the latest available closing price or, if not available or otherwise inaccurate, as quoted by an independent broker and each security traded on any other regulated market, shall be valued in a manner as similar as possible to that provided in relation to quoted securities;
- d) for non-quoted securities or securities and/or financial derivative instruments not traded or dealt in on any stock exchange or other regulated market (including non-quoted securities of closed-ended underlying funds), as well as quoted or non-quoted securities on such other market for which no valuation price is readily available, or securities for which the quoted prices are, in the opinion of the Company, not representative of the fair market value, the value thereof shall be determined prudently and in good faith by the Company
- e) securities issued by any open-ended underlying funds (whether or not quoted on a stock exchange) shall be valued based on their last available net asset value or price, whether estimated or final, as reported or provided by such funds or their agents; for those open-ended underlying funds for which a single net asset value is calculated and which are also listed on a stock exchange, the price used will be the single net asset value as reported or provided by such funds or their agents, whether estimated or final, and not the ones listed on a stock exchange. This net asset value may differ from that quoted on the relevant stock exchange; and
- f) the liquidation value of forward or options contracts not traded on exchanges or on other organised markets shall mean their net liquidation value determined, pursuant to the policies established or approved by the Company, on a basis consistently applied for each different variety of contracts. The liquidation value of forward or options contracts traded on exchanges or other organised markets shall be based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular contracts are traded on behalf of the Fund; provided that if a forward or options contract could not be liquidated on the day with respect to which the net asset value is being determined, the basis for determining the liquidation value of such contract shall be such value as the Company may deem fair and reasonable;
- g) liquid ILS will be valued by quotes provided by one or more market makers, dealers or brokers specialised in these types of securities;
- h) illiquid ILS will be valued prudently and in good faith;
- i) all other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Company.

The valuation of all the instruments specified above with the exception of items at letter a) is delegated to the External Evaluator appointed by the Board.

The assignment, renewal and revocation of the mandate given to External Evaluator are approved by the Board.

The External Evaluator shall submit to the Company, in accordance with applicable laws and regulations, of a report estimating the value of financial instruments that are part of the fund assets ("**Valuation Reports**"), on the terms agreed with the Company.

Without prejudice to the assignment as given above, the Board may assign duties to parties other than the External Evaluator to support the work of the same in relation to specific matters.

In preparing in the previous Valuation Reports, the External Evaluator will apply the assessment criteria mentioned above.

The Company, in its sole discretion, is authorized to deviate from the assessments of the External Evaluator, applying other valuation principles for all or only some of the assets of the Fund and/or any Sub-fund or Class if it deems that the valuation principles set forth above appear impossible to apply in the circumstances or inappropriate for the asset concerned, provided that one set of rules shall be applied to the valuation of all assets allocated to a specific Sub-fund or Class. In this case, is obliged to give the reasons for to the External Evaluator.

Whilst the Company reserves the right to use published final valuations using the latest available published price in respect of each investment in order to calculate the Net Asset Value, in view of the limited frequency with which such valuations may be provided, and the delays in obtaining such information, the Company also reserves the right to use more recent valuations where this is considered appropriate. Such valuations may be based on an estimate of a more recent price of any unit or share in an underlying fund in which the Fund invests obtained from or calculated on the basis of more recent information received from the underlying fund or any of its service providers or agents. Consequently valuations in respect of the Units may be based largely or entirely on estimates.

To the extent that the Company considers that it is in the best interests of the Unitholders given the size of a Sub-fund or Class, prevailing market conditions and/or the level of subscriptions and redemptions in the Sub-fund or Class, the net asset value of the Sub-fund or Class may be calculated on a bid offer spread basis for Unit issues and redemptions using securities bid or offer prices and adjusted in respect of any dealing charges and sales commissions.

The value of assets denominated in a currency other than the reference currency of a Sub-fund or Class (if different) shall be determined by taking into account the rate of exchange prevailing at the time of the determination of the net asset value.

In instances where the value of an investment cannot be determined in accordance with the valuation procedures specified above or in instances where the Company or its agents determines that it is impracticable or inappropriate to determine the value of an asset or amount of a liability in accordance with the above procedures, the price will be a fair and reasonable value as determined in good faith and on a prudent basis in such manner as the Company or its agents may prescribe in accordance with the accounting procedures applicable to the Fund.

The Board of Directors will exercise its reasonable judgment in determining the values to be attributed to assets and liabilities.

With regard to the protection of investors in case of net asset value calculation error and correction of the consequences resulting from non-compliance with the investment rules applicable to the Fund, the Board of Directors intends to comply with the principles and rules set forth in CSSF Circular 02/77 of 27 November 2002.

16. Suspension of Net Asset Value calculation, subscriptions, redemptions and conversions

- I. The Company is authorised to temporarily suspend calculation of the Net Asset Value per Unit of one or more Sub-funds, as well as subscriptions, redemptions and conversions of Units of the said Sub-funds, in the following cases:
 - 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 assets of the Fund attributable to such Sub-fund(s) for the time being are quoted or dealt in, is closed, other than for legal holidays, or during which dealings are substantially restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Fund;
 - b) during any period when any market of a currency in which a material part of assets of one or more Sub-funds is denominated is closed for periods other than legal holidays, or during which trading is substantially restricted or suspended provided that such restriction or suspension affects the valuation of the investments of the Fund;
 - c) during any period when dealing in the units/shares of any underlying vehicle in which such Sub-fund(s) may be invested are restricted or suspended;
 - d) during the existence of any state of affairs which constitutes an emergency, in the opinion of the Company, or when, as a result of political, economic, military, terrorist or monetary events or any circumstances outside the control, responsibility and power of the Company acting on behalf of the Fund, disposal of the underlying assets of such Sub-fund(s) is not reasonably practicable without being seriously detrimental to Unitholders' interests or if, in the opinion of the Company, a fair price cannot be calculated for those assets;
 - e) during any breakdown in the means of communication normally employed in determining the price or value of any of such Sub-fund(s)'s investments or the current prices or value on any market or stock exchange;

- f) if the Fund or a Sub-fund is being or may be wound up, liquidated or merged, from the date on which the Company has decided or the notice is given of a proposed resolution to that effect;
- g) when for any other reason the prices of any investments owned by the Fund attributable to such Sub-fund(s) cannot promptly or accurately be ascertained (including the suspension of the calculation of the net asset value of an underlying undertaking for collective investment or other investment vehicle);
- h) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Units or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Company, be effected at normal rates of exchange;
- i) any other circumstance or circumstances where a failure to do so might result in a Sub-fund, the Fund or the Unitholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Fund, the Sub-fund or the Unitholders might not otherwise have suffered;
- j) if in the opinion of the Company, the effect of such redemptions would be to seriously impair the Fund's ability to operate or to jeopardise its tax status;
- k) during any period when any breakdown occurs in the IT means normally used to determine the net asset value per Unit of one or more Sub-funds; or
- l) any other circumstances beyond the control of the Company.

The Company may, in any of the cases listed above, also suspend the issue and/or redemption and/or conversion of Units without suspending the calculation of the Net Asset Value.

If required by law, a notice of the beginning and of the end of any period of suspension will be sent to the Unitholders or published in a newspaper or via any other media as may be decided by the Company from time to time.

Any suspension declared shall take effect at such time as the Company shall declare which may be at any time prior to, during or after the relevant Valuation Day, and shall continue until the Company declares the suspension to be at an end.

Notice will likewise be given to any applicant or Unitholder as the case may be applying for purchase, redemption, or conversion of Units in the Sub-fund(s) concerned. Upon suspension of the calculation of the Net Asset Value, applicants or existing Unitholders may give notice that they wish to withdraw their application for subscription or request for redemption or conversion of Units, as applicable, in respect of any Redemption Days affected by the suspension. If no such notice is received by the Company, applications for redemption or conversion as well as any application for subscription will be dealt with on the Initial Subscription Day or Redemption Day, as applicable, following the end of the period of suspension at the subscription price per Unit or Redemption Price, as applicable, then prevailing. The Company reserves the right to withhold payment from persons whose Units have been redeemed prior to such suspension until such suspension is lifted.

In addition, the Company has the right to suspend the Net Asset Value calculation of a Sub-fund for up to one (1) month without the requirement to give notice to Unitholders when, in its opinion, a significant proportion (which is likely to be 5 per cent or more) of the assets of the Sub-fund cannot be valued on an equitable basis and such difficulty is expected by the Company to be overcome within that period. The Company will take all reasonable steps to bring any period of suspension to an end as soon as possible.

- II.** The Company is authorised to temporarily suspend calculation of the Net Asset Value per Unit of one or more Sub-funds, as well as subscriptions, redemptions and conversions of Units of the said Sub-funds, in exceptional circumstances that may adversely affect the interests of the Unitholders, or in the event of too many requests of redemption of the Units of a given Sub-fund, the Company reserves the right to establish the value of the said Sub-fund only after having sold the required assets on behalf of the Sub-fund. Under these circumstances, pending subscription and redemption applications shall be processed based on the first Net Asset Value thus calculated.

17. Income distribution

The Company decides how to allocate the annual net profit of the Fund based on year-end accounts as at 31 December of each year.

The Company reserves the right to distribute the net assets of each Sub-fund up to the minimum legal net assets. The nature of the distribution shall be disclosed in the financial reports.

The Company may distribute interim dividends, within the limits provided by law.

Dividends and interim dividends shall be paid at a time and place established by the Company.

Dividends and interim dividends distributed but not collected by the Investor within five years of payment are no longer payable to Investor and shall be paid to the corresponding Sub-fund.

Dividends held by the Depositary on behalf of Unitholders in the respective Sub-funds shall not bear any interest.

18. Charges, expenses and costs borne by the Fund

Each Sub-fund pays the Company a Management Fee for the performance of its duties as management company and AIFM of the Fund as indicated in the relevant Sub-fund factsheet in Appendix I.

Each Sub-fund pays the Company the Performance Fee which is detailed for each Sub-fund in the relevant Sub-fund factsheet in Appendix I.

The following expenses shall be borne by the Fund:

- set up fees, including expenses for its establishment, listing on the stock exchange, where applicable, and authorisation from the competent authorities, costs for preparation, translation, printing and distribution of reports, as well as any other document required by law and regulations in force in the countries in which the Fund is traded (where applicable);
- registration tax calculated and payable on a quarterly basis based on the net asset value determined at the end of each quarter, as well as amounts due to supervisory authorities;
- any annual stock exchange fees;
- all taxes and duties due by the Fund;
- trading costs, fees and expenses deriving from transactions involving the Sub-funds' portfolio;
- for Sub-funds that invest in units of other UCITS and/or UCIs, the expenses on the assets of the UCITS and/or other UCIs invested in are borne indirectly by the Sub-funds. The maximum fixed management fee charged at the level of the "target UCITS and/or UCIs" shall not exceed 2.5% per annum of the net assets of such UCITS/UCI, in addition to a management fee applicable to each Sub-fund according to the diagram reported in Appendix of this Prospectus;
- extraordinary costs arising in particular from assessments or procedures aimed at protecting the interest of Investors;
- expenses for the publication of the net asset value and all notices to Investors;
- expenses linked to the membership (for the account) of the Fund in trade associations, including those linked to the participation on behalf of the Fund to such trade associations' meetings and conferences;
- expenses incurred for the IT, software licenses and database and info provider systems specifically used for the management of the Fund;
- expenses for external risk level assessment and reporting;
- auditor's fees;
- fees paid to the Depositary and the Administrator (including in its capacity as Registrar, Transfer Agent and Paying Agent of the Fund) with a maximum of 0.35% p.a. and per Sub-fund. In addition, the Depositary and the Administrator are entitled to be reimbursed by each Sub-fund for their reasonable out-of-pocket expenses and disbursements, including for the Depositary charges of any correspondents;
- fees paid to the External Evaluator;
- publication costs for notices to Unitholders in the countries where the Fund is traded;
- expenses linked to legal and tax advisers' fees borne in the interest of the Fund.

All general expenses described above borne by the Fund are preliminarily deducted from the Fund's current earnings and, if these prove insufficient, from realised capital gains and, where necessary, from Fund assets.

The following expenses shall be borne by the Company:

- expenses for the day to day running of its operations;
- fees of the Company's auditors;

- the Analyst's fees; and
- any investment management/advisor fees.

The exact level of fees and expenses charged to the Fund will be disclosed in the Fund's annual financial statements.

19. Financial year

The Fund's financial year ends on 31 December of each year.

20. Financial statements and reports

The Fund shall publish annual financial statements as of 31 December of each year. The financial report shall be available, within six months from the end of the period to which it relates, to Unitholders at the registered offices of the Company and the Depositary.

The Net Asset Value of each Sub-fund Unit is available in Luxembourg at the registered offices of the Company.

Any changes to the Management Regulations are filed with the Luxembourg Register of Commerce and Companies and their publication in the RESA is made by way of a notice advising of the deposit of the document with the Register of Commerce and Companies.

The Auditor must carry out the duties provided by the Law and the AIFM Law. In this context, the main mission of the Auditor is to audit the accounting information given in the annual report.

The Auditor is also subject to certain reporting duties vis-à-vis the regulators as more fully described in the AIFM Provisions and the Law.

21. Management regulations

The rights and duties of Unitholders as well as those of the Company and the Depositary are established by the Management Regulations.

The Company may, subject to the CSSF's authorisation, amend the Management Regulations.

Any changes to the Management Regulations shall be filed with the Register of Commerce and Companies. Unless otherwise provided for by the Company, such changes shall enter into effect on the day the amendments are filed with the Register of Commerce and Companies.

22. Duration, merger, liquidation and closure of Fund or of Sub-funds or of a Class

I. The Fund

The Fund is established for an unlimited duration. Unitholders, their successors, and any other beneficiaries may not demand the dissolution or division of the Fund.

The Fund may be dissolved at any time by resolution of the Company. Notice thereof will be published in the RESA and in two newspapers, one of which at least must be a Luxembourg newspaper. No Units may be issued after the date of such decision of the Company. The Company will, however, not be precluded from redeeming or, if permitted, switching all or part of the Units of Unitholders, at their request, at the applicable Net Asset Value (taking into account actual realisation prices of investments as well as realisation expenses in connection with such dissolution), as from the date on which the resolution to dissolve the Fund has been taken until its effectiveness, provided that such redemption or conversion does not affect the equal treatment among Unitholders.

In the event of the liquidation of the Fund, the Company shall realise the assets of the Fund in the best interests of the Unitholders, and the Depositary shall distribute the net liquidation proceeds, after deduction of liquidation charges and expenses, to the Unitholders in the proportion of the respective rights of each Class, all in accordance with the instructions of the Company.

Liquidation proceeds that could not be distributed to the persons entitled thereto at the close of liquidation shall be deposited with the *Caisse de Consignation* (or CDC) in Luxembourg until the applicable prescription period shall have elapsed.

II. The Sub-funds

Each Sub-fund is launched for an unlimited duration, unless otherwise set-out in the relevant Sub-fund factsheet in Appendix I. If a Sub-fund is launched with a limited duration, the Company may decide to extend the duration of the relevant Sub-fund.

A Sub-fund or a Class may be terminated by decision of the Company if the Net Asset Value of a Sub-fund or a Class does not reach or fall below a level that the Board deems to make its management overly difficult, or in the

event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Company should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-fund or a Class to operate in an economically efficient manner, and with due regard to the best interests of Unitholders, that a Sub-fund or a Class should be terminated. In such event, the assets of the Sub-fund or the Class shall be realized, the liabilities discharged and the net proceeds of realization distributed to Unitholders in proportion to their holding of Units in that Sub-fund or Class and such other evidence of discharge as the Company may reasonably require. This decision will be notified to Unitholders as required. No Units shall be redeemed after the date of the decision to liquidate the Sub-fund or a Class. Assets, which could not be distributed to Unitholders upon the close of the liquidation of the Sub-fund concerned, will be deposited with the *Caisse de Consignation* in Luxembourg on behalf of their beneficiaries.

If allowed by applicable laws, a Sub-fund or a Class may merge with one or more other Sub-funds or Classes in the above mentioned circumstances by decision of the Company. This decision will be notified to Unitholders as required. Each Unitholder of the relevant Sub-fund or a Class shall be given the option, within a period to be determined by the Company, but not being less than one month, and specified in said notice, to request free of any redemption charge either the repurchase of its Units or the exchange of its Units against Units of any Sub-fund or a Class not concerned by the merger. If allowed under applicable laws, a Sub-fund may be contributed to another Luxembourg investment fund or an investment fund established in the European Economic Area and subject to equivalent supervision by decision of the Company in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Company should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-fund to operate in an economically efficient manner, and with due regard to the best interests of Unitholders, that a Sub-fund should be contributed to another fund. This decision will be notified to Unitholders as required. Each Unitholder of the relevant Sub-fund shall be given the possibility within a period to be determined by the Company, but not being less than one month, and specified in said notice, to request, free of any redemption charge, the repurchase of its Units. At the close of such period, the contribution shall be binding for all Unitholders who did not request redemption. When a Sub-fund is contributed to another investment fund, the valuation of the Sub-fund's assets shall be verified by an auditor who shall issue a written report at the time of the contribution, to the extent legally or regulatory required.

If the Company determines that it is in the interests of the Unitholders of the relevant Sub-fund or Class or that a change in the economic or political situation relating to the Sub-fund or Class concerned has occurred which would justify it, the reorganization of one Sub-fund or Class, by means of a division into two or more sub-funds or classes of the Fund may take place if allowed under applicable laws. This decision will be notified to Unitholders as required. The notification will also contain information about the two or more new Sub-funds or Classes. The notification will be made at least one month before the date on which the reorganization becomes effective in order to enable the Unitholders to request the sale of their Units, free of charge, before the operation involving division into two or more Sub-funds or Classes becomes effective.

23. Legal action

All disputes regarding enforcement of the Management Regulations shall be governed by Luxembourg law and subject to the jurisdiction of the District Court of Luxembourg.

According to EU regulation 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters, a judgement given in a Member State of the European Union shall, if enforceable in that Member State, in principle (a few exceptions are provided for in EU Regulation 1215/2012) be recognised in the other Member State of the European Union without any special procedure being required and shall be enforceable in the other Member States of the European Union when, on the application of any interested party, it has been declared enforceable there.

24. Tax treatment

I. Taxation

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

The following is based on the Company's understanding of certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

II. Taxation of the Fund

The Fund is not subject to any taxes in Luxembourg on income or capital gains. The Fund is only subject tax to a subscription tax (*taxe d'abonnement*) levied at a rate of 0.01% per annum, based on the Net Asset Value of each Sub-fund at the end of the relevant quarter, calculated and paid quarterly. The tax is not applicable for the portion of the assets of a Sub-fund invested in other Luxembourg UCIs.

Subscription tax exemption applies to (i) investments in other UCIs, which have already been subject to the Luxembourg subscription tax, (ii) money market specialised investment funds as well as individual compartments with multiple compartments of specialised investment funds, (iii) specialised investment funds, compartments thereof or dedicated classes reserved for retirement pension schemes, and (iv), specialised investment funds and individual compartments thereof whose main object is the investment in microfinance institutions.

III. Withholding tax

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the country of origin. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the country of origin.

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

IV. Taxation of the Investors

From a Luxembourg tax perspective, the Fund as a co-ownership between the Investors without legal personality, is in principle fully tax transparent. Investors in the Fund will be subject to tax on the income and capital gains derived from the investment in accordance with the laws in force in their country of residence.

Under current legislation, Investors are not subject to any capital gains, income or withholding tax in Luxembourg except for those domiciled, resident or having a permanent establishment in Luxembourg.

As a matter of administrative practice, capital gains derived from the Fund by Unitholders domiciled, resident or having a permanent establishment in Luxembourg are not subject to tax in Luxembourg if realized at least six (6) months after the subscription or purchase of the units and provided that the investment in the Fund does not represent a substantial shareholding, unless the Investor claims the strict application of the tax transparency of the Fund and will be regarded as having realized the profits and losses on the underlying investment in the Fund. The Investors are deemed realizing themselves the profits and losses of the Fund at the time the Fund realized them. Distributions made by the Fund will be subject to income tax.

Non-Luxembourg residents are not subject to any capital gains, income or withholding tax unless not protected by a tax treaty, who hold through the Fund more than 10% of a Luxembourg company and have their units in the Fund redeemed less than 6 months after subscription of the units in the Fund.

The Fund collects the income generated after deduction of any withholding tax in the relevant countries. From a Luxembourg tax perspective, any potential entitlement to reduction in the rate of applicable withholding taxes depends on the status of the Investors, as the Fund is a co-ownership between the Investors. Where an Investor is exempt from tax in his/her/its country of residence, or is eligible for treaty relief under a double tax treaty concluded between his/her/its country of residence and the country where the security is located, it may be possible to obtain a full or partial refund of his/her/its proportionate share of the withholding tax suffered by the Fund.

United States of America (US) Chapter 3 Withholding Tax (US Withholding Tax) – Sub-Fund(s) classified as non-withholding foreign partnership(s) for US tax purposes

- 1.1 The Sub-fund "AZ Eskatos – Multistrategy ILS Fund" shall be classified as a non-withholding foreign partnership for US tax purposes (**NWP**).
- 1.2 US income of a Sub-fund classified as an NWP will as a matter of fact be levied at the level of the Sub-fund (meaning that any US income payment by third parties to a Sub-fund classified as an NWP will be made net of the applicable US withholding tax, and the Net Asset Value per Unit of any Class of a Sub-fund classified as an NWP shall be net of said US withholding tax, i.e., no further amount shall normally be due by a Unitholder of a Sub-fund classified as an NWP to the US Internal Revenue Service (**IRS**) with respect to the US income attributed to him/her/it by virtue of his/her/its holdings into the Sub-fund) but shall be allocated, and reported, pro-quota to that Sub-fund's non-U.S. Unitholders rather than to that Sub-fund itself. In order to avoid unnecessary expenses and complexity in making determinations regarding the amount, if any, of US withholding tax required to be made, the Company acting on behalf of a Sub-fund classified as an NWP may at its discretion request an authorization from its Unitholders in a Sub-fund classified as an NWP to cause US withholding tax to be deducted by payors of US income to which such US withholding tax may be applicable without regard to the status of its Unitholders. Each Unitholder should consult his/her/its own counsel regarding his/her/its eligibility to request a credit for, or a refund of, the tax withheld attributable to such Unitholder from the IRS.

US Withholding Tax – Sub-Fund(s) classified as non-US corporation(s) for US tax purposes

- 1.3 The Sub-fund "AZ Eskatos – Multistrategy ILS Feeder Fund", shall be classified as a (non-US) corporation for US tax purposes.
- 1.4 Income of a Sub-fund classified as a (non-US) corporation for US tax purposes will solely be subject to tax at the level of that Sub-fund and not at the level of that Sub-fund's non-U.S. Unitholders. Unitholders of a Sub-fund classified as a (non-US) corporation for US tax purposes will not be entitled to a refund of any US withholding tax attributable to their Units in that Sub-fund regardless of their status.

V. Automatic Exchange of Information

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company may require the Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a Unitholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. The Company, on behalf of the Fund, shall communicate any information to the Investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

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

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

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

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

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect Unitholders that are Specified US Persons for FATCA purposes ("**FATCA reportable accounts**"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company acting on behalf of the Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company, in its capacity as the Fund's management company, may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a unit's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Unitholder's FATCA status;
- b) report information concerning a Unitholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to Unitholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable US withholding taxes from certain payments made to a Unitholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Company, on behalf of the Fund, shall communicate any information to the Investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will only be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to FATCA-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Investor has a right

of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Fund reserves the right to refuse any application for units if the information provided by a potential Investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

25. Document for inspections

The following documents:

- Articles of Association of the Company;
- Prospectus;
- Management Regulations;
- Depositary Agreement between the Company and Depositary;
- Central Administration Agreement between the Company and the Administrator; and
- The Fund financial statements and reports;

shall be available at the registered office of the Company, where Investors may obtain free copies of the Management Regulations, Prospectus and financial statements and reports.

Any information which the Company is under a mandatory obligation (i) to make available to investors before investing in the Fund, including any material change and updates of this Prospectus essential elements as well as requirements of the Article 21 of the AIFM Law, or (ii) to disclose (periodically or on a regular basis) to investors (each such information under (i) or (ii) shall be validly made available or disclosed to investors via and/or at any of the legally acceptable information means listed in the Management Regulations.

26. Procedures for amending the Prospectus

The Company is authorised to amend any provision of the Prospectus, provided such changes are not material to the structure and/or operations of the Fund and its Sub-funds, as the case may be, as determined by the Company at its sole but reasonable discretion and subject to the prior approval of the CSSF. In such case, the Prospectus will be amended and the Unitholders will be informed thereof, for their information purposes only. For the avoidance of doubt, Unitholders will not be offered the right to request the cost-free redemption of their Units prior to such changes becoming effective. As a matter of example, this Prospectus may notably be amended by the Company without the right for Unitholders to request a cost-free redemption of their Units if such amendment is intended:

- a) to change the name of the Fund and/or the name of the Sub-fund;
- b) to acknowledge any change of the Depositary, Administrator, Registrar and Transfer Agent, Paying Agent, the Auditor;
- c) to implement any amendment of the law and/or regulations applicable to the Fund, the Sub-fund, the Company and their respective affiliates;
- d) as the Company determines in good faith to be advisable in connection with legal, tax, regulatory, accounting or other similar issues affecting one or more of the Unitholders, so long as such amendment does not materially and adversely affect the Unitholders, as determined by the Company in its sole discretion;
- e) to correct any printing, typing or secretarial error and any omissions, provided that such amendment not adversely and significantly affect the interests of the Unitholders or update any factual information;
- f) to make any other change which is for the benefit of, or not materially adverse to the interests of the Unitholders of the Fund; and
- g) to reflect the creation of additional Sub-funds within the Fund.

The Company is authorised to make other amendments to the provisions of the Prospectus (such as the change of the fee structure of the Fund or the Sub-fund or the change of the investment policy of the Sub-funds), subject to the approval of the CSSF, provided that such changes shall only become effective and the Prospectus amended accordingly, in compliance with the Law. Where changes are considered to be material, Unitholders will be offered a cost-free redemption of their Units within a one (1) month period from the sending of such notice to all Unitholders or Unitholders of the relevant Sub-fund or Class in cases where such amendments are only applicable to Sub-fund or Class. Such material changes shall become effective only after the expiry of this one-month period.

If the laws and regulations applicable to the Fund or having an impact on the Fund's operation change (either at Luxembourg level or European level) and such changes require compulsory amendment to the structure of the Fund or its operations, then the Company shall be authorized to amend any provision of this Prospectus, subject to the prior approval of the CSSF. In such case, and provided that such compulsory amendment to the structure or the operations of the Fund does not require the involvement of the Unitholders of the Fund or the Sub-fund, then the Prospectus will be updated and the Unitholders will be informed thereof, for their information purposes only without any other involvement in the decision making process prior to the effectiveness of the above mentioned amendment. For the avoidance of doubt, in this case, the Unitholders will not be offered the right to request the cost-free redemption of their Units prior to the changes becoming effective.

27. Liquidity risk management

The Company benefits from a liquidity risk management system in relation to the Fund. In this context, procedures have been put in place to enable a monitoring of the liquidity risks of the Fund and to ensure that the liquidity profile of the Fund's investment portfolio is such that the Fund can normally meet its Units redemption obligations. Procedures have also been adopted to address redemption rights in exceptional circumstances, including so-called special arrangements, which procedures are described in the Management Regulation and this Prospectus. Additional information in this respect is also made available at the registered office of the Company.

28. Fair and preferential treatment

Unitholders are being given a fair treatment by ensuring that they are treated in accordance with the applicable requirements of the AIFM Law (and notably in adequately implementing the inducement and conflict of interest policies).

Notwithstanding the foregoing paragraph, it cannot be excluded that a Unitholder be given a Preferential Treatment in the meaning of, and to the widest extent allowed by, the Management Regulation. Whenever a Unitholder obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of Unitholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Fund or the Company will be made available at the registered office of the Company within the limits required by the AIFM Law.

29. Conflicts of interest

According to the AIFM Directive and Commission Regulation, the Company shall take the reasonable steps to identify conflicts of interest that arise in the course of managing the Fund between the Company (including its managers, employees or any person directly or indirectly linked to the Company by control) and the Fund or its Investors, the Fund or its Investors and another client of the Company (including another alternative investment fund, a UCITS or their investors), and two clients of the Company.

The Company shall maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Fund and its Investors.

The Company shall segregate, within its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest. The Company shall assess whether its operating conditions may involve any other material conflicts of interest and disclose them to the Investors.

Where organisational arrangements made by the Company to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to Investors' interests will be prevented, the Company must clearly disclose the general nature or sources of conflicts of interest to the Investors before undertaking business on their behalf, and develop appropriate policies and procedures.

Investors are informed that, by the sole fact of soliciting an investment or, a fortiori, investing in the Fund, they acknowledge and consent that the information to be disclosed as per the above is provided at the registered office of the Company and that this information will not be addressed personally to them.

30. Historical performances

If any Fund's historical performance is required to be produced by the Company it will be made available at the registered office of the Company.

31. Execution policy

Appropriate information on the execution policy referred to in Article 28 of the Commission Regulation (headed "Placing orders to deal on behalf of AIFs with other entities for execution") and on any material changes to that policy is available at the registered office of the Company.

32. Voting strategies

A summary description of the Company's voting strategies and details of the actions taken on the basis of these strategies will be made available to the Investors on their request at the registered office of the Company.

33. Remuneration

An overview of the remuneration policy of the Company is available at the registered office of the Company.

The full remuneration policy of the Company is also made available to the Investors on their request at the registered office of the Company.

34. Inducements

According to the AIFM Directive and the Commission Regulation, when the Company, in relation to the activities performed when carrying out its functions, either (i) pays a fee or commission or provides a non-monetary benefit to a third party (or a person acting on behalf of a third party) or (ii) is paid a fee or commission or is provided with a non-monetary benefit by a third party (or a person acting on behalf of a third party), the Company shall demonstrate that (a) the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, is clearly disclosed to the Investors in the Fund in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service, and (b) the payment of the fee or commission, or the provision of the non-monetary benefit are designed to enhance the quality of the relevant service and not impair compliance with the Company's duty to act in the best interests of the Fund or its Investors.

Investors are hereby informed that, in case any of the arrangements referred to in the foregoing paragraph takes place, the essential terms of the arrangements relating to the fee, commission or non-monetary benefit in summary form will be made available at the registered office of the Company, and that the Company commits to disclose further details at the request of the Investors.

35. Investment in securitization positions

To the extent provided by the AIFM Directive and by the Commission Regulation, when the Company on behalf of the Fund invests in securities positions in the meaning of the AIFM Provisions, information on the Fund's exposures to the credit risk of securitisation and the applicable risk management procedures in this area will be made available at the registered office of the Company.

36. Data Protection

In compliance with the Luxembourg applicable data protection laws and regulations, including but not limited to the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**GDPR**"), as such applicable laws and regulations may be amended from time to time (collectively hereinafter referred to as the "**Data Protection Laws**"), the Company, acting as data controller (the "**Data Controller**") processes information concerning Investors (the "**Personal Data**") and other related natural persons (together the "**Data Subject**") in the context of the investments in the Fund. The term "processing" in this section has the meaning ascribed to it in the Data Protection Laws.

Detailed data protection information is contained in the privacy notice and available at <http://www.azimut-group.com/international-presence/az-fund-management/privacynotice.pdf> in particular in relation to the nature of the Personal Data processed by the Data Controller and its delegates, service providers or agents, such as (but not limited to) the Auditor, the Global Distributor, other entities directly or indirectly affiliated with the Company and any other third parties who process the Personal Data for providing their services to the Company, acting as data processors (collectively hereinafter referred to as "**Processors**"), the purposes and the legal basis for processing, recipients, safeguards applicable for transfers of Personal Data outside of the European Union and the rights of Data Subjects under certain conditions set out by the Data Protection Laws and/or by applicable guidelines, regulations, recommendations, circulars or requirements issued by any local or European competent authority, such as the Luxembourg data protection authority (the *Commission Nationale pour la Protection des Données* – "**CNPD**") or the European Data Protection Board (including the rights to access to or have Personal Data about them rectified or deleted, ask for a restriction of processing or object thereto, right to portability and right to withdraw consent after it was given, etc.) and how to exercise them.

The full information notice is also available on demand by contacting the Company at privacy@azfund.com.

To exercise the above rights and/or withdraw his/her consent regarding any specific processing to which he/she has consented, the Data Subject may contact the Company at the following address: AZ Fund Management S.A. 35, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg.

In addition to the rights listed above, should a Data Subject consider that the Company does not comply with the Data Protection Laws, or has concerns with regard to the protection of his/her Personal Data, the Data Subject is entitled to lodge a complaint with the relevant data protection supervisory authority, i.e. in Luxembourg the CNPD.

APPENDIX I: SUB-FUND FACTSHEETS

1. AZ ESKATOS – Multistrategy ILS Fund

OVERVIEW OF THE MARKET OF INSURANCE LINKED SECURITIES AND INVESTMENT STRATEGY APPROACH

It is well known that insurance risks are generally carried in large pools managed by insurance companies, reinsurance companies and other risk aggregators. In the last 25 years the insurance industry has begun the process of transferring some risks to the capital markets. By offloading risks to capital markets the insurance industry has improved its capital positions (both from a rating and regulatory viewpoint), made its funding more flexible and managed its risk profile more efficiently. The Company and the Analyst are not in a position to assess which shape the future of insurance industry will take but they are convinced that insurance/reinsurance companies will remain key players of financial markets at least as originator of business. At the same time the impact of these changes on the pricing of risks is unclear; the Company and the Analyst believe that the level of "risk insurability" may increase.

Since 1990 new risks have been brought to the ILS market which in turn has benefited by the greater capacity of capital markets compared to reinsurance ones, by the active role of investment banking in the disintermediation of traditional brokerage houses in the risk structuring and by the increasing appetite of Investors for assets with low correlations to financial and monetary markets.

INVESTMENT POLICY

Investment objectives

The main objective of AZ Eskatos – Multistrategy ILS Fund (the "**Sub-fund**") is to achieve capital appreciation within defined risk parameters and to provide superior risk-adjusted return consistently over time on capital provided by Investors, by undertaking directly or indirectly investments in the widest meaning of the Law while reducing investment risk through diversification. The objectives of the Sub-fund will be accomplished by investing into financial instruments and other assets that go under the heading of ILS.

The investment and disinvestment decisions remain with Company. The function of Analyst is limited to provide the appropriate support and advice to the Company.

The Company anticipates that the Sub-fund might invest in any asset type as those described in chapter 3 "Investment policy and restrictions" in the main part of the Prospectus. These investments, here defined as "traditional asset class" investments, can be used: (1) to increase the return of the Sub-fund subject to an acceptable level of risk; (2) to take advantage of contingent situations of market inefficiencies; (3) for hedging purposes. Investments in equity stocks and corporate bonds/notes and/or hybrids or any other leveraged or unleveraged instrument issued or sponsored by insurance/reinsurance companies and/or risk aggregators and/or insurance/reinsurance brokers would be considered an ILS investment, and would not fall under the definition of "traditional asset class".

Investments in the ILS markets cover any type of unleveraged or leveraged instruments used to transfer property, casualty, specialty life and any other insurance-linked business, as described below.

When gaining an exposure toward actuarial contracts, the Sub-fund may further enter into one or more financial derivative instruments with a Transformer. The Transformer is a particular type of special purpose vehicle which converts risk related to insurance or reinsurance contracts into financial risk including the risk related to financial derivative instruments and/or vice-versa. Transformers are insurance or reinsurance licensed entities entitled to negotiate insurance and reinsurance contracts as well as financial contracts (such as financial derivatives instruments).

Investment universe

The non-life ILS market comprises Cat Bonds which are primary vehicles for transferring risks, predominantly associated with natural perils; Cat Swaps; Side-cars that resemble quota-share reinsurance treaties and Contingent Capital tools that offer the insurance company the option to be provided with fresh capital injection in the form of subordinated debt or equity, after a trigger event has materialized.

The life ILS includes mortality (longevity) bonds as securities that allow life insurers to shed exposure to extreme mortality (longevity) risk, excess of medical expenses risk; life settlement policies; embedded value and/or new business securitisation as forms of monetisation of the future profits associated with an existing or new book of business; securities issued or sponsored by US life insurance companies under National Association of Insurance Commissioners (NAIC)'s Regulations XXX and AXXX, enabling them to fund or securitize life insurance regulatory

reserves in connection with, respectively, term life insurance business and universal life insurance business and life settlement notes which are backed by a life insurance portfolio and contains significant longevity risk.

ILS are securities issued by an insurance and/or a reinsurance company or any other insurance risk aggregator like a special purpose vehicle and purchased by capital market Investors such as the Sub-fund. As a result, insurance risks of various types – for example, but not limited to, mortality, longevity, catastrophic events, political risks, property and casualty and others – can be transferred from the issuer to the owner of ILS.

Investment strategy

To the extent of consistency with its investment objectives and risk parameters, various types of securities and financial instruments, whose returns are linked to insurance risks will directly or indirectly be purchased and sold by the Sub-fund. These insurance-based instruments may include, but are not necessarily limited to ILS, shares, preference shares, swaps, futures, options and other type of derivatives.

The Sub-fund will invest primarily in the following classes of ILS: (i) property & casualty (P&C) Cat Bonds; (ii) life related assets, securities and derivatives; (iii) specialty lines; (iv) other type of ILS (e.g. structured financial instruments embedding equity and debt components, including equity stocks and corporate bonds/notes and/or hybrids or any other leveraged or unleveraged instrument issued or sponsored by insurance/reinsurance companies and/or risk aggregators and/or insurance/reinsurance brokers). The universe of ILS that the Company will analyse is wide. There is no geographic, peril related or insurance risk-type restrictions. The Company seeks to consider all type of insurance events, but may anticipate that the Sub-fund will have a preference for high severity, low frequency risks over low severity, high frequency risks. The balance between the two mentioned preferences is driven by the risk/reward profile offered by the relevant ILS and its contribution to the overall risk profile of the Sub-fund's portfolio.

The Sub-fund follows a "buy and hold" investment strategy and seeks to be diversified by geographical area, type of perils and trigger. Furthermore the Company will seek to achieve its investment return objectives by the use of financial and actuarial leverage subject to risk concentration constraints and aggregation limits. The Company will seek to identify the optimal risk/reward trade-off in the ILS asset class, the use of leverage to achieve a higher nominal return should that be required or appropriate, subject to acceptable overall volatility.

The portfolio will be composed by ILS instruments traded in the primary and secondary P&C (including specialty lines) and life ILS markets, both with direct and indirect, unleveraged and leveraged, instruments. The portfolio will be constructed making use of derivatives modelling approaches and by implementing diversification's techniques. Risk/return trade-off will be tested against different scenarios.

The Company believes that this risk/return proposition is deemed to be sustainable also during the next years because of the structural arbitrage existing in the ILS market due to unbalances in supply and demand.

The supply may very likely be stimulated (i) by an increasing volume of issues from insurance companies active or located in North America, Latin America, Japan, China and Western Europe, (ii) by the appearance of new risks like longevity, disability and terrorism – just to mention a few – to be off-loaded to the capital markets as well as (iii) by new entrants active or located in emerging markets. A further pushover effect may stem in Europe from the Solvency II regulation that could induce or force the insurance companies to consider different forms of funding in order to meet capital requirements.

The demand side will be fuelled by the Investors' appetite for uncorrelated assets in a global portfolio that continues to suffer from correlation convergence, globalisation of strategies and diminishing alpha. Therefore the Company reckons that this asset class could show attractive yields and low risk in the future.

The portfolio will benefit from two different levels of diversification: (i) Extra: ILS proves to be an asset class which may be immune from correlation convergences experienced by both traditional (equity, interest rates, credit) and alternative asset classes (hedge funds, private equity, real estate); (ii) Intra: a well-constructed ILS portfolio offers low correlation by peril both in non-life space (e.g. hurricane, earthquake, windstorm, flood, hail) and life (e.g. mortality, longevity, embedded value securitisation), by geographic area (among others US, UK, Continental Europe, Australia, Mexico, New Zealand, China, Japan, Canada) and by strike or trigger. The risks involved in ILS are predominantly insurance risks. The occurrences of insurance events are largely uncorrelated to the global equity and bond markets, and hence a portfolio of insurance risks should experience low correlation to equity and bond investments. These two different, but simultaneously operating, levels of diversification may allow the Sub-fund to have a very low volatility with a low tail risk and to offer attractive returns to Investors, with a sustainable spread over Libor.

Most publicly traded ILS are bonds. As any other bond Investor, an Investor in such ILS may expect the regular payment of a coupon as well as the reimbursement of the principal. However, depending upon the occurrence and severity of certain insurance events, both the coupon and the principal may be at risk. The coupon is expected to reflect such risks besides the traditional credit risk. Although superior returns will eventually be reduced as capital

market Investors become more familiar with direct exposure to insurance risks, the Company believes that the structural inefficiency will continue for a considerable period of time, mainly due to the high entry barriers that this asset class poses to fully appreciate the involved risks. Therefore Investors for this Sub-fund should have a long-term investment horizon.

Several factors affect bond pricing at issuance and during the life of the bond.

Some of these factors are very difficult to model and to forecast. Among these factors, we refer to reinsurance rates for the same layer and exposures - that are set in the reinsurance market worldwide and that can influence the corresponding spread map of Cat Bonds - and the probability of loss as modelled by independent catastrophe-modelling firms that can impact on prices to such extent that it could significantly deviate from that of similar transactions in terms of peril, geographic exposures and issue amounts.

Although the public market is dominated by ILS under the form of Cat Bonds, the Company anticipates that very likely more than 50% of the exposures will be sourced with positions that will be originated and/or executed under the form of derivatives. This is especially the case for the specialty lines and for other non-life and life risks that need to be sourced out from non-public transaction. The specialty lines play an important role in the risk/return profile of the Sub-fund's portfolio. As the specialty lines insurance market is the segment of the insurance industry where the more difficult or unusual risks are written, it may also be for the Company and the Analyst the most difficult to be analysed. This line of business is usually made up by marine, aviation, satellite, political risk, crop, and other risks which are traditionally traded in the Lloyd's market. Usually these risks are channelled to the Lloyd's market by international brokers under the form of insurance contracts which cannot be underwritten directly by the Sub-fund. Therefore the Sub-fund might envisage entering into a transaction with a Transformer/Fronting Entity which converts/funnels the insurance contracts into financial instruments. Such transactions typically adopt the form of swap agreements and involve partial or total collateralization.

The strategy will be implemented by purchasing ILS in the primary and the secondary market as well as by originating directly business to be underwritten predominantly under the form of derivatives. The Company will look to follow a strategy which consists in the acquisition of both liquid ILS (mainly P&C Cat Bonds) and illiquid ILS (mainly Cat Swaps including P&C and specialty lines and life related ILS). The two type of ILS are complementary. The Company seeks to implement its strategy by taking benefit from interesting risk/return features, from reasonable level of liquidity and from diversification benefits of both public and private transactions.

Liquid ILS

The ILS market already consists of a large number of listed securities, sponsored by insurance companies, reinsurance companies, and other insurance risk aggregators. The Company will analyse the risks involved in each issue, both individually and globally on the portfolio level with the aim to manage a diversified portfolio of insurance risks by type and by geographical area. This includes a detailed analysis of the prospectus published with the issue, the use of industry and in-house actuarial knowledge as well as the use of third-party actuarial services. The Company will monitor the prices of these issues on an ongoing basis, and compare them with other, similar issues, and resolve to tactically buy and sell these issues in order to take advantage of pricing anomalies that may from time to time occur. During the portfolio's construction phase the Company anticipates the possibility to have a higher than optimal exposure to certain areas or to certain perils.

Some liquid ILS may have a wide-ranging capital structure with different features in relation to classes of shares or notes and with different risk/return trade off. The Sub-fund will normally be most interested in those tranches that offer the best risk/reward trade off as long as the overall portfolio level of risk is reasonable in helping the Sub-fund to meet its objectives. The Sub-fund might borrow and/or use leverage to achieve its overall objective and seeks to avoid as much as possible additional volatility.

The Company will seek to hedge capital market risks when these are deemed to create unwanted volatility. This will particularly be the case in the event of significant currency market exposure, but may also be applied to unwanted other market exposure.

Illiquid ILS

This is for the Sub-fund the most difficult strategy to be implemented because it requires negotiation, acquisition and management of single risk – in most cases whole portfolios of risks under the form of derivatives contracts – directly originated from insurance, reinsurance companies and other insurance risk aggregators. The Company may use the services of third parties to assist in the actuarial valuation of the expected cash flows. The Company seeks to identify the expected cash flows arising from any ILS transaction, its key risk drivers, its relevant sensitivities, its expected loss and its potential clash with other portfolio constituents. The aim of the Company is to further work on the acquired transaction and/or book of business by holding only the cash flows that are attractive in terms of return requirements, bearing in mind the volatility, risk diversification and cash flow management.

It is intended that these transactions – either single risk or whole portfolios of risks – will be held as investment over potentially long periods of time and that, given their nature, the portfolios will not be actively traded. However, the Company reserves the right to do so if attractive terms are available or if a new opportunity becomes interesting and assets are to be disposed of for a new acquisition or for portfolio rebalancing.

The reference portfolio will normally consist of a large number of individual insurance policies/risks and a significant part of the exposure may be sourced through a limited number of issuers. Nevertheless, it is the purpose of the Sub-fund to be diversified as much as possible.

The acquisition of a reference portfolio requires the ability to identify the clients' needs, to coordinate several internal and external resources (most of them with an actuarial and legal background), to negotiate terms and conditions with the counterparties, and to underwrite the risks. In the case where the acquisition is limited to the performance of a reference portfolio, the activity will be focused on the negotiation of a derivative contract. The Company believes that the vast majority of these deals will be unrated and in some cases illiquid. They may therefore increase the portfolio's risk profile but may also substantially contribute to its yield enhancement. Liquidity and leverage management will become here very important to monitor the overall performance and volatility of the Sub-fund.

Investment Process

Liquid ILS

A comprehensive, scalable database of many outstanding liquid ILS has been built and several relationships with major brokers-dealers that trade this type of ILS are in place. The expected return, the volatility and the key underlying risk drivers are analysed, carefully investigated and monitored over time and are compared in different market scenarios. Liquid ILS are assessed both individually and globally at the Sub-fund's portfolio level. The Company is more focused at the portfolio level and seeks to assess the impact of an additional ILS not only on its merits but primarily on the expected return and the volatility of the Sub-fund's portfolio.

The Company will rely on actuarial and financial analysis provided by the Analyst to manage the portfolio of the Sub-fund. To the extent required for a better understanding of ILS transactions, a set of questions will be presented either to the issuer or to the issuer's brokers, the issuers' actuarial consultants or the Analyst. Simultaneously the input from other third parties (e.g., actuarial consultants, insurance consultants, risk consultants) may be used. This may include the use of reputable catastrophe risk modelling firms supporting the actuarial analysis of each security.

The investment process goes through different phases:

- a) Analysis of macro environment and business cycles, with particular emphasis to reinsurance and retrocession market conditions where rates for reinsurance covers are set by major players and influence the relative attractiveness of each ILS;
- b) Strategic asset allocation, which is focused on the split between life, non-life (including specialty lines), geographic diversification, peril allocation, trigger selection and peak/trend exposure;
- c) Security selection: in this phase a relative value analysis is conducted on each ILS on the basis of a multi-country, multi-perils hazard model, whenever available, run by third parties providing historical analysis of underlying risk, loss distribution, concentration risk by area and perils. Such an analysis forms the basis for estimating both a loss distribution and a sensitivity/trigger analysis. This output will then be used in the proprietary portfolio model to fully evaluate the impact of this ILS on the portfolio sensitivity, taking into account the potential correlation with other portfolio components;
- d) Underwriting: any investment decision – either buying, selling, holding - will be undertaken by the Company;
- e) Execution: good relationships with primary players of the ILS market is a key element which allows to execute the order at best terms and condition for the Sub-fund; and
- f) Risk Management: a risk and performance attribution analysis will be done on monthly basis at the portfolio level in order to detect immediately deviations from the expected risk/return portfolio's profile. The risk control process will be primarily focused on monitoring exposures by geographic area, peril and triggers to avoid any unwanted concentration of risk and to maintain the portfolio well balanced; on the use of financial borrowing facility for boosting returns and actuarial leverage for risk mitigation; on the level of overall liquidity of portfolio; on the control of reinsurance and other counterparties rating position to reduce credit risk and on derivatives/short positions which will be constantly tested. These activities are essential to achieve the objectives of the strategy.

The market value of these ILS tends not to fluctuate significantly, but it does respond rapidly to relevant insurance news flow. The Company aims at being aware of all relevant trends and developments in the insurance industry as well as having a good understanding of capital market's functioning and the Investors' perception of insurance risks. The Company might seek to take advantage of anomalies and/or price discontinuity that may from time to time emerge in the prices of an individual ILS although frequent trading of ILS is not the main strategy of the Sub-fund.

The ILS market is characterized by a steady and increasing flow of new issues which will be subject to analyses. Each analysis of an issue will enhance the database for comparison and expand the universe of liquid ILS. The Sub-fund will only invest in a new issue if the Company believes that at least one the flowing criteria is satisfied: (i) it is attractively priced, that (ii) it has the potential to meet objectives of the Sub-fund or that (iii) it adds significant diversification to the portfolio.

The use of several financial instruments to build up the portfolio requires a sound understanding of technical, financial and modelling aspects. Risk management capabilities are important for building the portfolio and achieving the objectives of the Sub-fund in terms of risk/return profile. The underwriting of risk can be interpreted indeed as the first step of the risk management process. A lot of care and commitment may be required in assessing the quality of pricing models and every effort will be made for making good use of any information collected/produced during securities selection's phase and risk underwriting.

Illiquid ILS

The illiquid ILS refer to both (i) financial derivative instruments having as underlying P&C (including specialty lines) and life business not publicly traded in form of a security, (ii) life settlement policies and (iii) the acquisition of a block of business or portfolio of risks by entering into a transaction with or by taking a participation into a Transformer/Fronting Entity. While (i) and (ii) have already been presented above, (iii) will be summarised hereafter.

The acquisition of a block of business or portfolio of risks is characterized by large size, high complexity and low trading frequency. Potential investments are likely to be found among insurance companies, reinsurance companies, other risk aggregators and other players of reinsurance and retrocession markets. Most of these entities have the need to restructure their book of business and to optimise their capital structure. It is evident that each "risk owner" has its own agenda and requirements. Therefore certain flexibility both in terms of structure and timing is required in order to facilitate the issuers' needs and the Sub-fund's investment objectives.

The complexity and importance of transactions on illiquid ILS may require the involvement of independent actuaries and other consultants to correctly estimate the expected cash flows over the life of the portfolio, the main risk drivers, the type of hedging techniques – if any – that can be put in place, the expected return and volatility. A shock and scenario analysis will be performed in order to test the resilience of the candidate portfolio under different stress conditions and to identify "strips" of risks that is necessary to hedge out or appropriate to shorten. This several pieces of information will allow the Sub-fund to come to a view as to the reasonable price for the trade and/or for the portfolio.

Additional Investment Restrictions

In relation to the investments in ILS under the form of life settlement, the Sub-fund will not seek to gain an exposure to viatical risk.

The Sub-fund is allowed to invest up to 20% of its Net Asset Value in eligible assets other than ILS. Such a restriction does not apply when such instruments are used for hedging purposes.

Cash and cash equivalents

The Sub-fund may hold cash and cash equivalents on an ancillary basis. Under exceptional circumstances and where financial markets conditions so require, up to 100% of the assets of the Sub-fund may be held in cash and cash equivalents for a limited period of time. The Sub-fund can also invest in hybrid securities issued by insurance companies in order to manage more efficiently short-term liquidity.

Foreign exchange hedging

The Company will seek to hedge the foreign currency exchange risk resulting from investments which are denominated in currency other than respectively EUR, USD, AUD, CNH, SGD and JPY. To this end, the Company may use financial derivative instruments and other techniques and instruments with the aim of protecting the Units assets against foreign exchange fluctuations.

Costs and expenses incurred in hedging transactions shall be paid for by the relevant Class.

There is no assurance that these hedging activities will be effective.

Borrowing limit and leverage

The Sub-fund may borrow cash and/or securities for investment purposes from first class professionals specialised in this type of transactions. The maximum financial and actuarial leverage of the Sub-fund involved by borrowing cash and/or securities and by using financial derivative instruments should in principle not exceed: (i) 400% of its Net Asset Value under the commitment method in accordance with article 8 of the Commission Regulation; (ii) 550% of its Net Asset Value under the gross method in accordance with article 7 of the Commission Regulation.

Borrowings of cash and/or securities are limited to 200% of the Net Asset Value of a relevant Sub-fund.

The counterparty risk resulting from the difference between (i) the value of the assets transferred by the Sub-fund to a lender as security in the context of the borrowing transactions and (ii) the debt of the Sub-fund owed to such lender may not exceed 30% of the Sub-fund's assets. The Sub-fund may, in addition, grant guarantees in the context of systems of guarantee which do not result in a transfer of ownership or which limit the counterparty risk by other means.

Leverage means any method by which the Sub-fund's exposure may be increased, whether through the borrowing of cash or of any other assets, via derivatives or by any other means.

Specific Risks of the Sub-fund

Investors are advised to carefully consider the risks of investing in the Sub-fund and should refer in relation thereto to the relevant section of the main part of the Prospectus.

Additionally, Investors are advised to carefully consider the following specific risks of investing in this Sub-fund.

The risks described in this Prospectus do not purport to be a complete enumeration, or explanation, of all the risks that may result from an investment into the Sub-fund.

General risks of ILS

Risks linked to the nature of investments: The portfolio will be composed by ILS traded in the primary and secondary properly and casually (P&C), including specialty lines business, and life ILS markets, both as direct/indirect unleveraged investments and leveraged investments. These assets may be affected in different ways by catastrophic events, financial markets, business, tax and legal uncertainties that cannot be anticipated. There is no assurance that the impact of such uncertainties both on the value of the assets of the Sub-fund and on the contribution of the risk profile of the Sub-fund by such investments is correctly assessed. A variety of factors - which are inherently difficult to assess and/or to predict - can affect the results of the investments and therefore the performance of the Sub-fund. No guarantee or representation is made that the Sub-fund's investment objectives will be achieved or will be achieved within a pre-defined timeframe.

Risks in the identification of investment opportunities: The Company and the Analyst will need to originate transactions from time to time out of a market. Since these opportunities do not currently exist, the Company and the Analyst cannot anticipate at the present stage what will be originated and what will be the features, terms and conditions of the originated ILS. There may be prolonged periods of time where no attractive investment opportunities may be available which may negatively impact the overall performance of the Sub-fund.

Risks related to market competition: The Sub-fund will operate in competition with long-standing insurance, reinsurance and other market players. Most of them have financial, human and technological resources well far in excess of those available to the Sub-fund. Some of those may have better access to the market than the Sub-fund and will have larger and better trading platforms to execute transactions. It cannot be assured that the Sub-fund will have the same level of access to the market as some competitors.

Insurance risk: The Sub-fund will invest in ILS containing significant amount of insurance risk. The estimated severity (amount of losses) and frequency (occurrence probability) of different insurance risks are based on an enormous quantity of information and data. There is no guarantee that the actual frequency/severity of insurance risk will be in line with the expectations based on historical evidence.

Reliance on corporate financial statements: The long-term performance of the Sub-fund may depend on the solvency of several insurance counterparties the Sub-fund deals with. Recent events have shown that the financial statements of some insurance players were not true representation of their accounting and their capital and risk positions. The strategy of the Sub-fund will depend on the integrity and correctness of financial statements of the participants to the ILS market.

Risks related to market disruption: During market disruption phases the availability of credit becomes problematic and some investments held by the Sub-fund could turn out to be illiquid. Therefore the Sub-fund could incur substantial losses during market disruption. In particular, during such market conditions banks and other dealers - that usually are lender of money to hedge funds - could suddenly restrict credit conditions and force hedge funds to liquidate assets at prices potentially far from their fair values. As a result, the Sub-fund may become a player with a risk/return profile completely different from the one the Sub-fund's strategy was originally based on.

Risks linked to the availability of funding: Financial leverage will be used for boosting the returns of the Sub-fund and for achieving a better risk-adjusted return on the capital committed by Investors. The Sub-fund may depend on the availability of credit. As a general matter, the lender that provides such borrowing facilities - being a bank or a broker - can change terms and conditions of the borrowing facility by applying discretionarily margin, haircut, cash and security collaterals, new valuation policies, or introduce any other limitation or restriction. This may

cause large margin calls, loss of financing, forced liquidation of positions, unwinding of transactions, termination of swap or other derivatives contract which in turn may produce substantial losses to Investors. Change in banking regulation or other credit restrictions due to particular markets situations like credit crunch or credit squeeze may have an adverse effect on the performance of the Sub-fund.

Risks related to the possible positive correlation with equity and bonds markets: The risks involved in ILS are predominantly insurance risks. The occurrences of insurance events are largely uncorrelated to the global equity and bond markets, and hence a portfolio of insurance risks should experience low correlation to these asset classes. One of the reasons to invest into the Sub-fund is to gain an exposure to an asset class with very low correlation to traditional and/or alternative asset classes. However, especially during market turmoil or market disruptions or in credit crunch situation there is no guarantee that the investment in this Sub-fund would contribute to an overall reduction of the portfolio's correlation mainly due to fact that the correlations in such situations may be subject to substantial changes.

Risks of applicability of insurance laws: The US legislation and the legislation of many other jurisdictions contain broad definitions of the activities that may constitute insurance and/or reinsurance business. These definitions evolve over time. Therefore it can happen that insurance regulatory authorities or courts might determine that the purchase or the holding of ILS will constitute the conduct of an insurance or reinsurance activity. In the event such determination is made and the holder of ILS is not duly licensed to operate as an insurance or reinsurance provider, such holder may be subject to regulatory and legal action. Although the Sub-fund will assess this type of risk before investing in any ILS, no assurance may be provided that regulatory authorities will not take steps to challenge the ILS market by considering that the purchase or the holding of ILS will constitute the conduct of an insurance or reinsurance activity.

Specific Market Risks of ILS

Unpredictability of risks: The type of risks the underlying events of an ILS contains is difficult to predict. Even the more complicated and sophisticated models cannot predict the occurrence of a natural or man-made disaster. In order to price the ILS correctly and to understand their impact on the risk/return profile of the Sub-fund's portfolio, the Company and the Analyst will usually refer - where and when possible - to third party providers that are specialised in developing and upgrading multi-country hazard models. This will enable the Company and the Analyst to better understand the risks and the pricing fundamentals of a relevant ILS, however in certain cases no information on the predictability of the underlying event may be available. Such models contain a substantial amount of uncertainty and bias and they often rely upon the reasonableness of their assumptions.

Risks in unregulated ILS: This type of ILS is not offered or traded on public exchanges and therefore investments in this type of ILS do not benefit from the regulatory protections of such exchanges, the SEC or other government or regulatory bodies.

Risks related to small market size: The market size of ILS is relatively small and this could create capacity constraints if the Sub-fund's assets will grow and if the share of the ILS market controlled by the Sub-fund will become relatively important.

Risk of loss due to catastrophe or other similar events: The Sub-fund will invest in ILS whose returns are related to the occurrence of catastrophic events (both natural and man-made disasters) which may severely impact the value/price/mark to model/mark to market of each and any position held by the Sub-fund. The occurrence of such trigger events is inherently unpredictable and may occur at any time. In addition certain ILS may be subject to redemption prior to their scheduled maturity upon the occurrence of some mandatory redemption events. Since these ILS are speculative, Investors in the Sub-fund could lose all or part of their investments.

Whether natural or man-made, any ILS is subject to losses due to catastrophic event. Any climatic, weather-related or scientific-dependent event which might result in an increase in the likelihood and/or severity of such losses could materially adversely affect the performance of the Sub-fund.

Risks due to unusual clustering of trigger events: Although the portfolio construction methodology implemented by the Sub-fund should allow a fair level of diversification among many independent catastrophic events, in the normal course of events some losses may be realised due to the attrition at the level of the insurance and reinsurance companies. It cannot be guaranteed that such attritional losses will not cluster in the short run to such extent to be unusually detrimental to the performance of the Sub-fund. At the same time pricing and portfolio models may underestimate the probability of clustering of independent events and therefore could overestimate the expected net return of the Sub-fund.

Strategic risks of ILS

Pricing risk: ILS constitutes a complex asset class to evaluate. The complexity often stems from the underlying loss function very difficult to predict. In the ordinary course of business it is virtually impossible to establish whether an

ILS is correctly priced or not. Although valuations models used for ILS are becoming more complex and sophisticated, there is no guarantee that these models are able to capture the elements of fundamentally unpredictable events.

Risks of uncertainties in valuation: The lack of a secondary market contributes to a lot of uncertainty regarding valuation of ILS. A number of players actively trading on the ILS market regularly provide indicative price sheets on a subset of such instruments (typically Cat Bonds) but this information can at best be considered as an indication. The fair value of ILS may be subject to substantial variation.

Risks related to the lack of liquidity: Most of the assets of the Sub-fund may be illiquid and for some of the ILS traded on public exchanges the volume of trading could have limited liquidity and depth. Therefore the Sub-fund may face difficulties to realise the prices which are quoted or to execute an order at the quoted prices. Bid-offer spreads may be large and execution of the order may be difficult. Most of the assets of the Sub-fund may be represented by ILS without an active secondary market. Therefore Investors should have a medium-long term time horizon.

In some cases, and especially with ILS derivatives, there might be no other counterparty to unwind, partially or in full, the position held than the counterparty who the Sub-fund originated the trade with. In some circumstance not even such counterparty would be available. Moreover most of the P&C ILS derivatives (Cat Swaps) do not envisage the possibility to unwind the position until the trade naturally matures.

Price volatility risk: The price of ILS can be influenced by many unpredictable factors such as general economic conditions, insurance price cycles both for life and non-life, inflation rates, natural and man-made catastrophes, new scientific research and findings. The performance of the Sub-fund can be influenced by a decreased or increased volatility due to such factors which cannot be fully anticipated. The change of volatility might induce or force the Sub-fund to liquidate part of its investments at a substantial discount to fair value.

Risk of limited resources of issuers: Sometimes the issuer of ILS is a thinly-capitalized vehicle with limited financial resources. There is no guarantee that such vehicles will be able to meet their liabilities and their obligations or the required coupon and/or principal to the holder of the relevant ILS.

Quality of rating: ILS may generally receive low or no rating. The perception of ILS by investors may be affected by the quality or absence of rating and this can have a negative impact on their prices.

Fiscal risk: ILS in which the Sub-fund invests may be subject to withholding or any other taxes. In such a case, the Sub-fund may not be able to partially or fully recover withholding taxes which may constitute an expense to the Sub-fund. Investors are invited to refer to the relevant section of the main part of the Prospectus.

Risk of portfolio concentration: The Sub-fund will predominantly be invested in ILS and assets traded in ILS market. The ILS market is very vulnerable to sudden, natural or man-made catastrophes which can cause severe price movements in the ILS held by the Sub-fund. Furthermore the portfolio could be overexposed to some type of perils or to some type of events which might boost the negative impact of such losses on the fair value of the portfolio even if the perils or events do not occur.

Risk related to the lack of diversification: Although diversification is an essential part of the portfolio construction process, the Sub-fund is allowed to be invested for any percentage of its assets in any type of ILS, in any area, in any market, to be exposed to any issuer or any strategy. The Sub-fund may hold significant portion of its assets in those ILS, issuers, areas, markets or strategies that at sole discretion of the Company are perceived to provide the best investment opportunities for a given level of risk. As a result a loss in any such concentrated position could ultimately result in a significant loss to the Sub-fund and have a disproportionately strong impact on Net Asset Value of the Sub-fund and on its Unitholders.

Credit risk: Even if most of the ILS are issued by fully collateralised special purpose vehicles, certain credit risks are inherent in the relevant ILS. As far as possible, rating by major rating-agencies like S&P, Moody's, Fitch, AM Best will be considered in the underwriting and decision process. However, there is no guarantee that every ILS will be rated and the Company may be in a position to confirm that the assigned rating corresponds to the actual merit of credit and risk profile of the relevant ILS. In particular Life positions, which typically have longer maturities than P&C business, are particularly exposed to credit risk. Among others, life settlement policy investments bear credit risk exposure.

Model risk: The investment decisions taken are based on quantitative models, both proprietary and models provided by third parties. The Company will make any effort in relation to construct, to update and to maintain such models.

However, the models may be subject to the risk of losing their predictive power in forecasting events that will be relevant to assess the performance of a relevant ILS. Furthermore the results of analysis performed on the basis of third party models cannot be viewed as facts, projections, forecasts of future losses or an estimate of probability of

future losses. Therefore the Company may only rely upon these models as indicators or proxies of Sub-fund's performance. It is a matter of fact that actual experience may substantially differ from what is expected on the basis of such models. The probabilities and severities of losses generated by proprietary and third party models are not predictive of future catastrophic events; the assumptions, the methodology, the set of information are subject to continuous review and therefore such refinements may materially alter the loss estimates currently generated by these models.

Risks of limited hedge possibilities: In the financial theory and in the praxis of financial markets hedging is done with the purpose to reduce a risk position by taking the opposite one. Therefore hedging requires the availability of a security, an index or a basket of assets to be used for covering (i.e. hedging) the position already on the books. Hedging of this nature is not possible for certain ILS because there might not be "negatively correlated" risks. As an example, there is no possibility of offsetting a hail exposure with a hurricane one. Therefore the unavailability of "negatively correlated" risk to be used as hedger implies that the only way for reducing risk in ILS investments is by means of diversification. To the extent that is possible and feasible, the Company may enter into hedging transactions with the intention of reducing and/or controlling risks. The hedging put in place will reduce the performance of the Sub-fund. Furthermore there is no assurance that the hedging will be effective in reducing and/or controlling the risk; this could lead to an increase in the overall risk profile of the portfolio. Ultimately the success of any hedging strategy will depend not only on the ability to implement it efficiently, quickly and cost-effectively but also on the accuracy of the judgment concerning the positions to be managed.

Risks linked to Transformers and/or Fronting Entities

General risks linked to Transformers and/or Fronting Entities: In order to implement its investment policy, the Company may for the account of the Sub-fund enter into transactions (including by opening a position in a financial derivate instrument) with one or more Transformers and/or Fronting Entities. A relevant Transformer/Fronting Entity may be fully or partly owned by a third party and has been formed for the purpose of underwriting insurance business. All decisions with respect to the general management of such a Transformer/Fronting Entity are taken by the board of that Transformer/Fronting Entity. Such a board may have the broadest power to decide, among others, on issuing of securities such as bonds, notes or insurance linked securities, on issuing insurance/reinsurance capacity under the form of an insurance policy, on reimbursement of capital, payment of interests and collection of various types of revenues such as but not limited to premiums. As a result, the performance of such a Transformer/Fronting Entity vehicle for the foreseeable future will depend largely upon the abilities of the Transformer/Fronting entity vehicle and in particular key people exercising a mandate or working for the relevant Transformer/Fronting Entity. There can be no assurance that key people remain director, manager, officer or employee for the relevant Transformer/Fronting Entity as well there can be no assurance that the Transformer/Fronting Entity will guarantee continuity of business. In such a case the ability of the Company to access a large number of insurance and reinsurance markets can be heavily affected.

Risks linked to the financial strengths of the Transformer and/or Fronting Entity and to the collateral provided by the Sub-fund: The Company is entitled to enter into a transaction (e.g. swap agreement) and/or to take participation through a Transformer and/or Fronting Entity. Although a Transformer/Fronting Entity is generally licensed and might benefit from a rating, the financial strengths of a Transformer/Fronting Entity may be lower than expected or deteriorate for various reasons. While entering into a transaction with a Transformer/Fronting Entity, the Sub-fund will be inter alia exposed to the risk of default of the Transformer/Fronting Entity. Moreover, insurance and reinsurance business activated through one or more transactions with a Transformer/Fronting Entity is typically leveraged. Such leverage requires the Sub-fund to post collateral - that could potentially take the form of cash, cash equivalent instruments, Cat Bonds, and other financial assets - to secure its obligations under such transaction(s); the party to the benefit of which this collateral is posted might use part or all of it to fund the insurance/reinsurance capacity related to the insurance/reinsurance contracts being the underlying of the transaction(s). As the collateral posted by the Sub-fund will be deposited with a trustee and/or a pledge agent bank, the Sub-fund may be also exposed to the risk of default of such trustee and/or pledge agent bank. In addition, the collateral could be held up in the trust account and/or in the pledged account for a period which extends beyond the maturity of the related trades, typically until commutation of all underlying insurance/reinsurance contracts negotiated through the relevant Transformer/Fronting Entity. There is no assurance that the commutation will be granted to the benefit of the Sub-fund within a short period of time after the risky period of the transaction is terminated.

Reference currency

The reference currency of the Sub-fund shall be the EUR.

Unit classes of the Sub-Fund are expressed in the currencies detailed in the table under "Classes of Units Summary" below.

Unit Classes

The Sub-fund shall issue the Classes detailed in the table under "Classes of Units Summary" below.

The Net Asset Value per Unit of each Class shall be determined in the currency indicated in the name of the relevant Class. Please refer to the table at the end of this section detailing the features of each Unit Class of the Sub-fund.

Frequency of net asset value calculation

The Net Asset Value per Unit of each Class within the Sub-fund is calculated, under the overall responsibility of the Company, as of the last Business Day of each month. (the "**Valuation Day**"), however the Net Asset Value per Unit of each Class within the Sub-Fund which is the closest to the last day of the Sub-fund's accounting year may be replaced by a Net Asset Value which will be calculated on the last day of the relevant period.

The Net Asset Value will be available at the registered office of the Company and the Administrator.

Subscriptions

Applications for subscriptions must be placed in writing by filing the application form at the registered office of the Company or the Administrator not later than 1:00 p.m., Luxembourg time, on the fifth Business Day preceding the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day. Payments for subscriptions must be received at least three (3) Business Days before the relevant Valuation Day. Where the payment is not received in due time, the Company may at its discretion cancel the subscription.

The issuance price of Units issued within any Class of the Sub-fund will be equal to that Class' Net Asset Value per Unit on the relevant Valuation Day.

A subscription fee of up to 2% of the subscribed amount may be applied at the discretion of, and shall be payable to, the Company.

Redemptions

Applications for redemptions of Units denominated in EUR (except for Units issued within Class F) will be handled as of the last Valuation Day of each quarter (the last Business Day in March, June, September and December). Applications for redemptions of Units issued within Class F will be handled as of the last Business Day of each named calendar month.

Applications for redemptions of Units denominated in USD, AUD, CNH, SGD and JPY will be handled as of the last Valuation Day of each semester (the last Business Day in June and December).

Applications for redemptions for all Classes (except Class F (EUR)) must be placed not later than 1:00 p.m., Luxembourg time, ninety (90) calendar days preceding the relevant Valuation Day. If this day is not a Business Day, then the redemption application has to be received at the latest on the next following day which is a Business Day. Applications received after that time will be processed on the Valuation Day of the following quarter for Units denominated in EUR (not applicable to Units issued within Class F (EUR)) and of the following semester for Units denominated in USD, AUD, CNH, SGD and JPY. Redemption requests for Units issued within Class F (EUR) shall be placed no later than 1:00 p.m., Luxembourg time, on the relevant Valuation Day.

The redemption price will be equal to the Net Asset Value per Unit of the relevant Class of Units on the relevant Valuation Day, net of any amount due. No redemption fee is applied. Payment of the redemption proceeds will be made as soon as possible but in any event within fourteen (14) Business Days following the calculation of the Net Asset Value and subject to receipt of all relevant documentation by the Administrator.

A redemption amount of less than amounts indicated in the table below will not be accepted except if the redemption request will terminate any participation in the Sub-fund.

Conversions

The Company has currently not decided to admit request of conversion of Units issued by this Sub-fund into Units to be issued by another Sub-fund of the Fund.

Conversion of Units of one Class into Units of another Class may be possible, subject to the approval of the Company.

Fees

Management Fee

The Company will receive from the Sub-fund a Management Fee at a rate detailed in the table below based on the Net Asset Value of the relevant Unit Class at each Valuation Day. The Management Fee will be payable monthly in arrears within five (5) Business Days at the end of each month and once the Net Asset Value has been determined.

Performance Fee

The Company is also entitled to receive a Performance Fee payable if due at the end of each Performance Period (as defined below) set at a percentage indicated in the table below of the positive net variation on each Class.

Positive net variation includes all realized and unrealized profits after deducting all expenses including the Management Fee (but not the Performance Fee).

The Performance Fee will be calculated on the basis of the Net Asset Value (but excluding the Performance Fee). The Performance Fee may be adjusted to take into account subscriptions and redemptions of Units as well as payment of dividends and other distributions.

The Performance Fee will be calculated separately for each outstanding Unit in order to reduce the inequalities that could affect the subscribers, the existing Unitholders and/or the Company.

In addition, a High Water Mark will be applied so that (i) only Units with a Net Asset Value per Unit that exceeded their respective High Water Mark(s) will be charged the Performance Fee and (ii) no Performance Fee will be charged to Units if the Net Asset Value per Unit remains below the respective High Water Mark(s).

The Performance Fee will be payable for each Units whenever the respective Net Asset Value applicable to that Units, as at the end of the relevant Performance Period (as defined below), is higher than the High Water Mark of that Units.

Performance Period means a quarter (each of the quarters ending the last Business Day of March, June, September and December) (the "**Full Performance Period**") except in the event that a Unitholder redeems Units prior to the end of a quarter, in which case the Performance Period will be the period starting from the first Business Day following the end of the immediately preceding Full Performance Period (which is included in this period) and ending the Valuation Day of the Net Asset Value with reference to which the redemption proceeds of these redeemed Units are calculated (which is included in this period) (the "**Partial Performance Period**").

At the end of each Full Performance Period and in so far as the Performance Fee is payable, the Performance Fee will be paid by way of redeeming Units of the relevant Unit Classes (without expenses), such that the quantity of the repurchased Units multiplied by the Net Asset Value per Unit at the end of the Full Performance Period is equal to the Performance Fee to be paid by the relevant Unitholder.

In the event that a Unitholder redeems Units prior to the end of a quarter, any Performance Fee due over the Partial Performance Period that remain unpaid in respect of these Units will be deducted from the redemption proceeds and paid to the Units. The FIFO methodology (First In - First Out) will be applied with respect to redeemed Units.

The Performance Fee, when due, is within ten (10) calendar days after the Net Asset Value as at the end of the Full Performance Period or, as the case may be, the Partial Performance Period is made available.

Remuneration for the Analyst

The Analyst will be remunerated by the Company.

Classes of Units Summary

| | Eligible Investors | Lock-up Period | Distribution Policy | Subscription Price per Unit | Minimal Initial Investment | Minimum Additional Investment | Minimum Redemption Amount | Management Fees | Performance Fee Rate |
|----------------------|--|--|---------------------|--|--|--|------------------------------|-------------------|----------------------|
| Class A (EUR) | Reserved subject to the control and the approval of the Company, <i>inter alia</i> to Investors providing investment management and/or advisory services to the Sub-fund, such as but not limited to the Company, the Analyst or their respective members. | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | No minimal initial amount subject to the approval of the Company | No minimal initial amount subject to the approval of the Company | No minimal redemption amount | No Management Fee | No Performance Fee |
| Class B (EUR) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | EUR 500,000 | EUR 250,000 | EUR 250,000 | 2,00% p.a. | 20% |
| Class C (EUR) | Well-Informed Investors | 2 years starting of the issuing day of the Units | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | EUR 500,000 | EUR 250,000 | EUR 250,000 | 2,00% p.a. | 20% |
| Class D (EUR) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the | EUR 500,000 | EUR 250,000 | EUR 250,000 | 2,00% p.a. | 20% |

| | | | | | | | | | |
|----------------------|--|----|--------------------|--|---------------------------|---------------------------|------------------------------|-------------------|--------------------|
| | | | | Company | | | | | |
| Class F (EUR) | AZ ESKATOS – Multistrategy ILS Feeder Fund | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | No minimal initial amount | No minimal initial amount | No minimum redemption amount | No Management Fee | No Performance Fee |
| Class A (USD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | USD 500,000 | USD 250,000 | USD 250,000 | 1,00% p.a. | 15% |
| Class B (USD) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | USD 500,000 | USD 250,000 | USD 250,000 | 1,00% p.a. | 15% |
| Class A (AUD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | AUD 800,000 | AUD 250,000 | AUD 250,000 | 1,00% p.a. | 15% |
| Class B (AUD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | AUD 800,000 | AUD 250,000 | AUD 250,000 | 1,00% p.a. | 15% |
| Class C (AUD) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | AUD 800,000 | AUD 250,000 | AUD 250,000 | 1,00% p.a. | 15% |
| Class A (CNH) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | CNH 3,000,000 | CNH 1,500,000 | CNH 1,500,000 | 1,00% p.a. | 15% |
| Class B (CNH) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator | CNH 3,000,000 | CNH 1,500,000 | CNH 1,500,000 | 1,00% p.a. | 15% |

| | | | | | | | | | |
|----------------------|-------------------------|----|--------------------|--|----------------|----------------|----------------|------------|-----|
| | | | | and at that of the Company | | | | | |
| Class A (JPY) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | JPY 50,000,000 | JPY 20,000,000 | JPY 20,000,000 | 1,00% p.a. | 15% |
| Class B (JPY) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | JPY 50,000,000 | JPY 20,000,000 | JPY 20,000,000 | 1,00% p.a. | 15% |
| Class A (SGD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | SGD 800,000 | SGD 250,000 | SGD 250,000 | 1,00% p.a. | 15% |
| Class B (SGD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | SGD 800,000 | SGD 250,000 | SGD 250,000 | 1,00% p.a. | 15% |
| Class C (SGD) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | SGD 800,000 | SGD 250,000 | SGD 250,000 | 1,00% p.a. | 15% |

The Company has the right to reduce the minimum initial and/or additional investment amount subject to the conditions described in the general part of this Prospectus.

A redemption amount of less than EUR 250,000 in respect of Classes of Unit denominated in EUR (except for Units issued within Class F (EUR)), USD 250,000 in respect of Units denominated in USD, AUD 250,000 in respect of Units denominated in AUD, CNH 1,500,000 in respect of Units denominated in CNH, SGD 250,000 in respect of Units denominated in SGD, and JPY 20,000,000 in respect of Units denominated in JPY will not be accepted except if the redemption request will terminate any participation in the Sub-Fund.

2. AZ ESKATOS – Multistrategy ILS Feeder Fund

Investment Objective

The investment objective of AZ ESKATOS – Multistrategy ILS Feeder Fund (the **Feeder**) is to invest on a non-temporary basis a large part of its assets into Units of Class F of AZ ESKATOS – Multistrategy ILS Fund (the **Master**) in accordance with article 71(8) of the Law.

The investment policy and objectives are described in the factsheet of the Master of Appendix I.

Investment Restrictions

Foreign exchange hedging

The Company will seek to hedge the foreign currency exchange risk resulting from investments which are denominated in currency other than respectively EUR, USD, AUD, CNH, SGD and JPY. To this end, the Company may use financial derivative instruments and other techniques and instruments with the aim of protecting the Units assets against foreign exchange fluctuations.

Costs and expenses incurred in hedging transactions shall be paid for by the relevant Class.

There is no assurance that these hedging activities will be effective.

Leverage at the level of the Feeder

The maximum financial leverage of the Feeder involved by using financial derivative instruments for foreign exchange hedging purposes should in principle not exceed, in normal market conditions: (i) 200% of its Net Asset Value under the commitment method in accordance with article 8 of the Commission Regulation; (ii) 300% of its Net Asset Value under the gross method in accordance with article 7 of the Commission Regulation.

Units of the Master held by the Feeder shall be deemed unleveraged at the level of the Feeder (i.e., no look-through shall be carried out at the level of the Feeder to the holdings and related leverage of the Master). Investors are advised to carefully review in this context the factsheet of the Master.

Specific Risks of the Feeder

Investors are advised to carefully consider the risks of investing in the Feeder and should refer in relation thereto to the factsheet of the Master in Appendix I.

Additionally, Investors are advised to carefully consider the following specific risks in taking an exposure to the Master through the Feeder.

The Feeder will indirectly bear its proportional share of the Master's expenses and Unitholders in the Feeder might therefore be subject to a certain level of duplication of costs. However, Performance Fees and Management Fees will only be charged at the level of the Feeder.

The Net Asset Value per Unit of any Class of the Feeder will be inclusive of all applicable fees (including the Performance Fee). The High Water Mark of Units of the Feeder will be determined on a class-by-class basis and not on a unit-by-unit - basis. It results that the Performance Fee charged to Units of certain Unitholders of a relevant Class over the Performance Period through their participative quota in the Net Asset Value attributable to that Class might be less (i.e., to the disadvantage of certain other Unitholders in that Class) or more (i.e., to the advantage of certain other Unitholders in that Class) than the Performance Fee they would have paid if the High Water Mark was determined on a unit-by-unit basis.

Investing into the Feeder will not enhance risk spreading in comparison to the risk spreading of the Master.

Unitholders in the Feeder will in general be exposed to at least the same level of liquidity risk to which they would have been exposed were they directly invested into the Master and may be exposed to special liquidity arrangements (e.g., gates, etc.) applied at the level of the Master.

The Company is entitled to use leverage for the account of the Feeder and economically expose Unitholders in the Feeder to the cumulative leverage of the Feeder and the Master. In particular, although the leverage at the level of the Feeder will in principle aim to protect the Unitholders in the Feeder from exchange rate risk, the use of leverage for foreign exchange hedging purposes of the Feeder as determined in accordance with article 7 or article 8 of the Commission Regulation may increase the leverage as compared to a direct investment into the Master.

The performance of the Feeder will differ from the one of the Master, amongst others, because of the different methodology employed for charging the Performance Fee and for the reasons discussed above.

A Unitholder in the Feeder will normally not be able to claim a refund for any applicable taxes withheld on income collected at the level of the Master (including without limitation US federal withholding tax levied on US life settlement proceeds) attributable to the Feeder and in turn, proportionally, to him/her/it, even in case such applicable taxes withheld exceed his/her/its tax liability.

Reference currency

The reference currency of the Feeder shall be the EUR.

Unit Classes of the Feeder are expressed in the currencies detailed in the table under "Classes of Units Summary" below.

Unit Classes

The Feeder shall issue the Classes detailed in the table under "Classes of Units Summary" below.

Please refer to the table at the end of this section detailing the features of each Unit Class of the Feeder.

The Net Asset Value per Unit of each Class shall be determined in the currency indicated in the name of the relevant Class.

Frequency of net asset value calculation

The Net Asset Value per Unit of each Class within the Feeder is calculated, under the overall responsibility of the Company, as of the last Business Day of each month (the "**Valuation Day**").

The Net Asset Value will be available at the registered office of the Company and the Administrator.

Subscriptions

Applications for subscriptions must be placed in writing by filing the application form at the registered office of the Company or the Administrator not later than 1:00 p.m., Luxembourg time, on the fifth Business Day preceding the last business day of the relevant month. Applications received after that time will be processed on the next Valuation Day. Payments for subscriptions must be received at least three (3) Business Days before the relevant Valuation Day. Where the payment is not received in due time, the Company may at its discretion cancel the subscription.

The issuance price of Units issued within any Class of the Feeder will be equal to that Class' Net Asset Value per Unit on the relevant Valuation Day.

A subscription fee of up to 2% of the subscribed amount may be applied at the discretion of, and shall be payable to, the Company.

Redemptions

Applications for redemptions of Units denominated in EUR will be handled as of the last Valuation Day of each quarter (the last Business Day in March, June, September and December).

Applications for redemptions of Units denominated in USD, AUD, CNH, SGD and JPY will be handled as of the last Valuation Day of each semester (the last Business Day in June and December).

Applications for redemptions for all Classes must be placed not later than 1:00 p.m., Luxembourg time, ninety (90) calendar days preceding the relevant Valuation Day. If this day is not a Business Day, then the redemption application has to be received at the latest on the next following day which is a Business Day. Applications received after that time will be processed on the Valuation Day of the following quarter for Units denominated in EUR and of the following semester for Unit denominated in USD, AUD, CNH, SGD and JPY.

The redemption price will be equal to the Net Asset Value per Unit of the relevant Class of Units on the relevant Valuation Day, net of any amount due. No redemption fee is applied. Payment of the redemption proceeds will be made as soon as possible but in any event within fourteen (14) Business Days following the calculation of the Net Asset Value and subject to receipt of all relevant documentation by the Administrator.

A redemption amount of less than amounts indicated in the table below will not be accepted except if the redemption request will terminate any participation in the Feeder.

Conversions

Conversion of Units issued by the Feeder into Units to be issued by another Sub-fund of the Fund may be possible, subject to compliance with applicable status as well as documentation requirements and the approval of the Company, acting on behalf of the Fund.

Conversion of Units of one Class into Units of another Class may be possible, subject to the approval of the Company, acting on behalf of the Fund.

Fees

Besides the costs more generally described under Chapter 18 of the main part of the Prospectus, the costs and fees under the Feeder factsheet in relation to the Feeder will be charged directly to the Feeder.

Costs and fees incurred by the Feeder at the level of the Master are described in the Feeder factsheet in relation to the Master.

No Management fee and no Performance Fee is applicable at the level of the Master of Units of Class F which are subscribed by the Feeder.

Management Fee

The Company will receive from the Feeder a Management Fee at a rate detailed in the table below based on the Net Asset Value of the relevant Unit Class at each Valuation Day. The Management Fee will be payable monthly in arrears within five (5) Business Days at the end of each month and once the Net Asset Value has been determined.

Performance Fee

The Company is also entitled to receive a Performance Fee payable if due at the end of each Performance Period set at percentage indicated in the table below of the positive net variation on each Class.

Positive net variation includes all realized and unrealized profits after deducting all expenses including the Management Fee and any redemption fees, if applicable (but not the Performance Fee).

The Performance Fee will be calculated on the basis of the Net Asset Value (including the Management Fee and any redemption fees, if applicable but excluding the Performance Fee). The Performance Fee may be adjusted to take into account subscriptions and redemptions of Units as well as payment of dividends and other distributions.

The Performance Fee will be calculated separately for each Class of Units.

The Performance Fee will be payable by a Class of Unit whenever the Net Asset Value after deduction of all expenses and liabilities (including the Management Fee and any Redemption Fees, if applicable, but excluding the Performance Fee) applicable to that Class of Unit, as at the end of the relevant Performance Period, is higher than the High Water Mark applicable to that Class of Unit.

Performance Period means a month (each of the named calendar months of the year).

At the end of each Performance Period and in so far as the Performance Fee is payable, the Performance Fee will be charged to all Classes of Units denominated in EUR, USD, CNH, AUD, SGD and JPY (without expenses), such that the relevant Class' Net Asset Value per Unit at the end of the Performance Period will be net of the Performance Fee due, if any, by that Class.

Classes of Units Summary

| | Eligible Investors | Lock-up Period | Distribution Policy | Subscription Price per Unit | Minimal Initial Investment | Minimum Additional Investment | Minimum Redemption Amount | Management Fees | Performance Fee Rate |
|----------------------|-------------------------|----------------|---------------------|--|----------------------------|-------------------------------|---------------------------|-----------------|----------------------|
| A Class (EUR) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | EUR 500,000 | EUR 250,000 | EUR 250,000 | 2,00% p.a. | 20% |
| B Class (EUR) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | EUR 500,000 | EUR 250,000 | EUR 250,000 | 2,00% p.a. | 20% |
| M Class (EUR) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | EUR 500,000 | EUR 250,000 | EUR 250,000 | 2,00% p.a. | 20% |
| N Class (EUR) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | EUR 500,000 | EUR 250,000 | EUR 250,000 | 2,00% p.a. | 20% |
| A Class (USD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | USD 500,000 | USD 250,000 | USD 250,000 | 1,00% p.a. | 15% |
| B Class (USD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | USD 500,000 | USD 250,000 | USD 250,000 | 1,00% p.a. | 15% |
| M Class (USD) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator | USD 500,000 | USD 250,000 | USD 250,000 | 1,00% p.a. | 15% |

| | | | | | | | | | |
|----------------------|-------------------------|----|--------------------|--|---------------|---------------|---------------|------------|-----|
| | | | | and at that of the Company | | | | | |
| N Class (USD) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | USD 500,000 | USD 250,000 | USD 250,000 | 1,00% p.a. | 15% |
| A Class (AUD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | AUD 800,000 | AUD 250,000 | AUD 250,000 | 1,00% p.a. | 15% |
| B Class (AUD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | AUD 800,000 | AUD 250,000 | AUD 250,000 | 1,00% p.a. | 15% |
| M Class (AUD) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | AUD 800,000 | AUD 250,000 | AUD 250,000 | 1,00% p.a. | 15% |
| N Class (AUD) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | AUD 800,000 | AUD 250,000 | AUD 250,000 | 1,00% p.a. | 15% |
| A Class (CNH) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | CNH 3,000,000 | CNH 1,500,000 | CNH 1,500,000 | 1,00% p.a. | 15% |
| B Class (CNH) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | CNH 3,000,000 | CNH 1,500,000 | CNH 1,500,000 | 1,00% p.a. | 15% |

| | | | | | | | | | |
|----------------------|-------------------------|----|--------------------|--|----------------|----------------|----------------|------------|-----|
| M Class (CNH) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | CNH 3,000,000 | CNH 1,500,000 | CNH 1,500,000 | 1,00% p.a. | 15% |
| N Class (CNH) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | CNH 3,000,000 | CNH 1,500,000 | CNH 1,500,000 | 1,00% p.a. | 15% |
| A Class (JPY) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | JPY 50,000,000 | JPY 20,000,000 | JPY 20,000,000 | 1,00% p.a. | 15% |
| B Class (JPY) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | JPY 50,000,000 | JPY 20,000,000 | JPY 20,000,000 | 1,00% p.a. | 15% |
| M Class (JPY) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | JPY 50,000,000 | JPY 20,000,000 | JPY 20,000,000 | 1,00% p.a. | 15% |
| N Class (JPY) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | JPY 50,000,000 | JPY 20,000,000 | JPY 20,000,000 | 1,00% p.a. | 15% |
| A Class (SGD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office of the Administrator and at that of the Company | SGD 800,000 | SGD 250,000 | SGD 250,000 | 1,00% p.a. | 15% |
| B Class (SGD) | Well-Informed Investors | No | Capitalised Units | Available at the registered office | SGD 800,000 | SGD 250,000 | SGD 250,000 | 1,00% p.a. | 15% |

| | | | | | | | | | |
|--------------------------|----------------------------|----|--------------------|---|-------------|-------------|-------------|------------|-----|
| | | | | of the Administrator and at that of the Company | | | | | |
| M Class (SGD) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | SGD 800,000 | SGD 250,000 | SGD 250,000 | 1,00% p.a. | 15% |
| N Class (SGD) | Well-Informed Investors | No | Distribution Units | Available at the registered office of the Administrator and at that of the Company | SGD 800,000 | SGD 250,000 | SGD 250,000 | 1,00% p.a. | 15% |

The Company has the right to reduce the minimum initial and/or additional investment amount subject to the conditions described in the general Part of the Prospectus.