

# Tweedy, Browne Value Funds

INVESTMENT COMPANY WITH  
VARIABLE SHARE CAPITAL INCORPORATED IN LUXEMBOURG

*(Société d'Investissement à Capital Variable)*

## **Prospectus**

*November 16, 2022*

### **Sub-Funds:**

Tweedy, Browne International Value Fund (Euro)

Tweedy, Browne International Value Fund (CHF)

Tweedy, Browne Global High Dividend Value Fund

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Tweedy, Browne Value Funds (the “Fund”) is offering investor shares of the Fund (the “Investor Shares”) relating to several separate sub-funds of the Fund (each a “Sub-Fund”) on the basis of the information contained in this prospectus (the “Prospectus”) and in the documents referred to herein. No person has been authorized to give any information or to make any representations other than those contained in this Prospectus, or in other documents to which this Prospectus refers, in connection with the offering for sale of Investor Shares and, if given or made, such representations or information must not be relied upon as having been authorized by the Fund. Neither delivery of this document nor the issue of Investor Shares will, under any circumstances, create any implication that there has been no change in the circumstances affecting the Fund since the date hereof. An amended or updated Prospectus will be provided, if necessary, to reflect material changes to the information contained herein.

Except where information is made available to investors through an alternative information medium as specified in the present Prospectus, or required to be provided in compliance with applicable laws, regulations (including, but not limited to, the Luxembourg law of August 10, 1915 on commercial companies, as amended), or requested to be provided by the CSSF as per its administrative practice which may evolve from time to time, Shareholders will be notified of material changes affecting their shares as well as informed of other changes, as requested by the CSSF, by publication of the relevant notice on the Fund’s website: [www.tweedysicav.com](http://www.tweedysicav.com).

**Prospective investors and Shareholders are therefore invited to consult [www.tweedysicav.com](http://www.tweedysicav.com) on a regular basis and in particular immediately prior to any subscription or additional subscription in order to be informed of the latest changes brought to this Prospectus and requested to be notified to them by the CSSF.**

The key investor information document (“KIID”) will be made available to investors free of charge prior to their subscription for Investor Shares. The KIID contains certain key information about the relevant class of shares and the relevant Sub-Fund including, among other things, the historical performances and a description of the risks of the relevant Sub-Fund, including a risk indicator.

The distribution of this Prospectus and the offering of the Investor Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Investor Shares to inform himself or herself of and to observe all applicable laws and regulations of relevant jurisdictions.

The board of directors of the Fund (the “Board of Directors”) has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

Certain provisions of agreements to which the Fund is a party are summarized in this Prospectus, but it should not be assumed that such summaries are complete, and such summaries are qualified in their entirety by the contents of the definitive documents. Documents are available for inspection as described in “*Documents for Inspection*”.

**Luxembourg** — The Fund is registered pursuant to Part I of the 2010 Law and qualifies as an investment company with variable capital having designated a management company. However, such registration does not require any Luxembourg authority to approve or disapprove either the

adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representation to the contrary is unauthorized and unlawful.

**The EU** — The Fund is a UCITS under article 1, paragraph 2, points a) and b) of the UCITS Directive, and the Board of Directors proposes to market the Investor Shares in accordance with the UCITS Directive in certain Member States (as defined herein). Within the EU, the Sub-Funds have been registered for public distribution in and to residents of Germany, and Italy (professional investors only). The Sub-Funds have also been registered for public distributing in and to residents of the United Kingdom and for offering to non-qualified investors in Switzerland.

**United States of America** — Investor Shares are not and will not be registered under the U.S. Securities Act of 1933 and the Fund is not and will not be registered under the U.S. Investment Company Act of 1940. Investor Shares generally will not be offered, sold or delivered after sale, directly or indirectly, in the United States of America, its territories or possessions or to nationals or residents thereof.

The articles of incorporation of the Fund (the “Articles”) contain provisions allowing the compulsory redemption of Investor Shares from U.S. Persons, as defined therein, or any other person (each, a “Prohibited Person”) who holds Investor Shares in circumstances which in the opinion of the

Board of Directors and independent counsel to the Fund might result in the Fund or the Investment Manager being in violation of the law or requirements of any country or governmental authority or in violation of the Articles.

The value of Investor Shares may fall as well as rise and on transfer or redemption of Investor Shares a Shareholder may not get back the amount the Shareholder initially invested. Changes in rates of currency exchange may cause the value of Investor Shares to go up or down in relation to the investor’s home currency. **There can be no assurance that the investment objective of a Sub-Fund will be achieved.**

There are substantial risks involved in an investment in the Fund. Investor Shares are suitable only for sophisticated investors who fully understand and are willing to accept the risks involved with the investment program of the Fund. (See “*Certain Risk Factors*”).

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

**PROSPECTIVE INVESTORS SHOULD NOT VIEW THE CONTENTS OF THIS PROSPECTUS AS LEGAL, TAX OR INVESTMENT ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OR HER OWN COUNSEL, ACCOUNTANT OR FINANCIAL ADVISOR AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE FUND.**

All references herein to “Dollars”, “USD” or “\$”, to “CHF” and to “Euro” or “€” are to the legal currency, respectively, of the United States of America, of Switzerland and of the European Monetary Union.

Certain capitalized terms used herein and not otherwise defined have the meanings given such terms in the Glossary of Certain Defined Terms located at the end of this Prospectus.

This Prospectus supersedes and replaces all prior versions hereof.

Additional copies of this Prospectus may be obtained from:

STATE STREET BANK INTERNATIONAL  
GMBH, LUXEMBOURG BRANCH  
49, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg  
Telephone: (+352) 46 40 10  
Facsimile: (+352) 245 294 67

FIRST INDEPENDENT FUND SERVICES LTD.  
Klausstrasse 33  
CH-8008 Zurich  
Switzerland  
Telephone: (+41) 44 206 16 40  
Facsimile: (+41) 44 206 16 41

STATE STREET BANK INTERNATIONAL  
GMBH  
Brienner Strasse 59  
80333 Munich  
Germany  
Telephone: (+49) 89 55878-100  
Facsimile: (+49) 89 55878-464

STATE STREET BANK INTERNATIONAL GMBH  
- FRANKFURT BRANCH  
Solmsstrasse 83  
60486 Frankfurt am Main  
Germany  
Telephone: (+49) 69 667745-000  
Facsimile: (+49) 69 667745-001

LEMANIK ASSET MANAGEMENT S.A.  
106, route d'Arlon  
L-8210 Mamer  
Grand Duchy of Luxembourg  
Telephone: (+352) 26 39 60 06  
Facsimile: (+352) 26 39 60 02

ZEIDLER LEGAL SERVICES (UK) LIMITED  
The Print Rooms  
164 – 180 Union Street  
London SE1 0LH  
United Kingdom

## **PRIVACY STATEMENT**

By subscribing for Investor Shares, subscribers will provide the Fund and the Luxembourg Central Administrator (as defined herein) with “non-public personal information” about themselves. The Fund and the Luxembourg Central Administrator may obtain and develop additional non-public personal information about investors (such as information obtained in connection with anti-money laundering laws, value of holdings, dates of investment and redemptions). Neither the Fund nor the Luxembourg Central Administrator generally discloses this information to third parties, other than service providers who need access to that information in order to permit the Fund to conduct its affairs (e.g., Management Company, the Investment Manager, auditors, paying agents, statutory representatives, accountants, and attorneys). The Fund obtains contractual assurances from third-party service providers to protect the confidentiality of investors’ non-public personal information when it considers those assurances appropriate. The Fund and the Luxembourg Central Administrator also restrict access to investors’ non-public personal information internally to those personnel who need the information in order to conduct the Fund’s business. The Fund, the Investment Manager and the Luxembourg Central Administrator may disclose non-public personal information when required by law or judicial process or otherwise to the extent permitted under privacy laws.

Shareholders should also carefully read the section on “Data Protection” for additional information about the manner in which the Fund and the Investment Manager process personal information under the General Data Protection Regulation.

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## SUMMARY OF PRINCIPAL TERMS

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The following is a summary of the investment objectives of Tweedy, Browne Value Funds (the “Fund”) and the principal terms and conditions of the investor shares (the “Investor Shares”) of the Fund being offered for subscription relating to several separate sub-funds of the Fund (each, a “Sub-Fund”). This summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Prospectus or in other documents referred to herein.

**The Fund:** Tweedy, Browne Value Funds, a Luxembourg *Société d’Investissement à Capital Variable* qualified as a UCITS.

- Sub-Funds:**
- Tweedy, Browne International Value Fund (Euro) – invests primarily in equity securities of issuers domiciled throughout the world that are admitted to or dealt in on a Regulated Market or Other Regulated Market. The Sub-Fund is denominated in Euros.
  - Tweedy, Browne International Value Fund (CHF) – invests primarily in equity securities of issuers domiciled throughout the world that are admitted to or dealt in on a Regulated Market or Other Regulated Market. The Sub-Fund is denominated in Swiss francs.
  - Tweedy, Browne Global High Dividend Value Fund – invests primarily in equity securities of issuers domiciled throughout the world that are admitted to or dealt in on a Regulated Market or Other Regulated Market that the Investment Manager believes to have above-average dividend yields and valuations that are reasonable. The Sub-Fund also invests, on a more limited basis, in securities the Investment Manager believes to have attractive shareholder yields at the time of purchase, along with valuations that are reasonable. The Sub-Fund is denominated in Euros.
  - Each Sub-Fund is actively managed without reference to any benchmark.

**Management Company:** Lemanik Asset Management S.A., a Luxembourg Chapter 15 management company within the meaning of the 2010 Law.

**Investment Manager:** Tweedy, Browne Company LLC, a U.S.-based investment adviser registered with the U.S. Securities and Exchange Commission, serves as investment manager to the Fund with responsibility for selection of each of the Sub-Fund’s investments.

**Investment Objective:** Each Sub-Fund seeks capital appreciation.

**Investment Strategies:** Fundamental analysis of issuers to determine “intrinsic value” of shares. The Tweedy, Browne International Value Fund (Euro) and Tweedy, Browne International Value Fund (CHF) invest primarily in equity securities that the Investment Manager believes are undervalued. The Tweedy, Browne Global High Dividend Value Fund invests primarily in equity securities that the Investment



**Issue and Redemption of Investor Shares:**

Manager believes to have above-average dividend yields and valuations that are reasonable. The Investment Manager’s analysis encompasses the entire spectrum of market capitalization.

Investor Shares will normally be available for issue on the fifteenth and the last calendar days of each month or, if either of the fifteenth calendar day or last calendar day is not a Business Day, the first preceding Business Day (each, a “Valuation Date”). Subscription requests must be received not later than 12:00 noon, Luxembourg time, at least **two Business Days** prior to the applicable Valuation Date. Investor Shares are issued at a price equal to the Net Asset Value per Share on the Valuation Date on which they are issued. Investor Shares are generally redeemable as of each Valuation Date with at least **ten Business Days’** prior notice. Investor Shares will be redeemed at a price equal to the Net Asset Value per Share on the Valuation Date on which they are redeemed. (See “*The Offering*” “*Subscriptions for Investor Shares*” and “*Redemption of Investor Shares*”)

**Special Considerations:**

Investment in the Fund involves various types of risks, some of which are as described in “*Certain Risk Factors*” herein. Investors should carefully consider such risks prior to making an investment.

**Dividend Policy:**

The Fund intends to reinvest the proceeds of net income earned by its investments. Accordingly, the Fund does not anticipate paying dividends.

**Minimum Initial and Subsequent Subscription Amounts:**

Tweedy, Browne International Value Fund (Euro):

Initial Subscription: € 10,000

Subsequent Subscription: € 1,000

Tweedy, Browne International Value Fund (CHF):

Initial Subscription: CHF 10,000

Subsequent Subscription: CHF 1,000

Tweedy, Browne Global High Dividend Value Fund:

Initial Subscription: € 10,000

Subsequent Subscription: € 1,000

**Expenses:**

Each Sub-Fund also pays its proportionate share of all other operational expenses as more fully described herein, including amounts associated with administration, register and transfer agency services, legal, accounting, brokerage and fiscal agent services. Each Sub-Fund may also pay up to 0.1% of the average aggregate Net Asset Value of its Investor Shares in service fees, such as fees charged by investment fund platforms and other intermediaries. Any service fees in excess of that amount will be borne by the Investment Manager.

**Fiscal Year:**

The fiscal year of each Sub-Fund ends on September 30.

## INTRODUCTION

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The Fund is an investment company organized under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable* with the capacity to divide its assets into several separate Sub-Funds and issue shares of several classes (each, a “Class”), each relating to a separate Sub-Fund. Within each Sub-Fund, two Classes have been established: one Class available for subscription generally by investors in the relevant Sub-Fund (the “Investor Shares”), the other Class available for subscription only by owners of the Investment Manager (and their immediate family members and estates) (the “Manager Shares”), as further described below (see “*General Information*”). The assets of each Sub-Fund are maintained separately and invested in accordance with the investment objective and strategy applicable to the relevant Sub-Fund. Investor Shares relating to each Sub-Fund are issued, redeemed and converted at prices computed on the basis of the net asset value (the “Net Asset Value”) per Share, as defined in the Articles, of the relevant Class.

The Fund currently offers Investor Shares in the three Sub-Funds described below.

### **Tweedy, Browne Value Funds — Tweedy, Browne International Value Fund (Euro) (the “International Sub-Fund (Euro)”)**

The International Sub-Fund (Euro) seeks to achieve capital appreciation by investing primarily in equity securities of issuers domiciled throughout the world that are admitted to or dealt in on a Regulated Market or Other Regulated Market that the Investment Manager believes are undervalued. To the extent such investments are within the investment strategy of the International Sub-Fund (Euro), it may further invest in bonds, liquid assets and other investments as permitted by law and by the Articles and it may use techniques and instruments within the investment guidelines and investment restrictions as further described below (see “*Investment Restrictions*”). The International Sub-Fund (Euro) intends to qualify as an “equity fund” for purposes of the German Investment Tax Act 2018, in

that at least 51% of its Net Asset Value will at all times be invested in equity securities which are listed on a stock exchange or traded on an organized market. The International Sub-Fund (Euro) may invest up to 10% of its net assets in China A-Shares via Stock Connect. The use of “Euro” in the name of the International Sub-Fund (Euro) indicates that the Euro is the Base Currency of the International Sub-Fund (Euro). The International Sub-Fund (Euro) may invest without limitation in securities denominated in currencies other than the Euro.

The International Sub-Fund (Euro) does not generally seek to reduce its currency risk by hedging its perceived foreign currency exposure back to the Euro. However, the Investment Manager may, in its sole discretion, determine to hedge some or all of the Sub-Fund’s perceived exposure to one or more currencies at any time, if it believes that taking a hedged or a partially hedged posture with respect to those currencies is in the best interest of the Sub-Fund and its Shareholders. (The Sub-Fund’s perceived exposure to a foreign currency is based on the Investment Manager’s judgment of such exposure after taking into account various factors, such as the sources of the portfolio companies’ earnings and the currencies in which their securities trade.) The International Sub-Fund (Euro) uses the commitment approach to monitor and measure its global exposure.

The International Sub-Fund (Euro) is actively managed without reference to any benchmark.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Taxonomy Regulation.

### **Tweedy, Browne Value Funds — Tweedy, Browne International Value Fund (CHF) (the “International Sub-Fund (CHF)”)**

The International Sub-Fund (CHF) seeks to achieve capital appreciation by investing primarily in equity securities of issuers domiciled throughout the world that are admitted to or dealt in on a Regulated Market or

Other Regulated Market that the Investment Manager believes are undervalued. To the extent such investments are within the investment strategy of the International Sub-Fund (CHF), it may further invest in bonds, liquid assets and other investments as permitted by law and by the Articles and it may use techniques and instruments within the investment guidelines and investment restrictions as further described below (see “*Investment Restrictions*”). The International Sub-Fund (CHF) intends to qualify as an “equity fund” for purposes of the German Investment Tax Act 2018, in that at least 51% of its Net Asset Value will at all times be invested in equity securities which are listed on a stock exchange or traded on an organized market. The International Sub-Fund (CHF) may invest up to 10% of its net assets in China A-Shares via Stock Connect. The use of “CHF” in the name of the International Sub-Fund (CHF) indicates that the Base Currency of the International Sub-Fund (CHF) is the Swiss Franc. The International Sub-Fund (CHF) may invest without limitation in securities denominated in currencies other than the Swiss Franc.

Where practicable in light of operational and regulatory considerations, the Sub-Fund will generally seek to reduce its currency risk by hedging its perceived foreign currency exposure back to the Swiss Franc (generally through the use of forward currency contracts), based on the Investment Manager’s judgment of such exposure after taking into account various factors, such as the sources of the portfolio companies’ earnings and the currencies in which their securities trade. However, the Investment Manager may, in its sole discretion, determine not to hedge some or all of the Sub-Fund’s perceived exposure to one or more currencies at any time, if it believes that taking an unhedged or partially unhedged posture with respect to those currencies is in the best interests of the Sub-Fund and its Shareholders. The International Sub-Fund (CHF) uses the commitment approach to monitor and measure its global exposure.

The International Sub-Fund (CHF) is actively managed without reference to any benchmark.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Taxonomy Regulation.

### **Tweedy, Browne Value Funds — Tweedy, Browne Global High Dividend Value Fund (the “High Dividend Sub-Fund”)**

The High Dividend Sub-Fund seeks to achieve capital appreciation by investing primarily in equity securities of issuers domiciled throughout the world that are admitted to or dealt in on a Regulated Market or Other Regulated Market that the Investment Manager believes to have above-average dividend yields and valuations that are reasonable. The High Dividend Sub-Fund invests primarily in companies domiciled throughout the world with above-average dividend yields selling at reasonable valuations (i.e., some level of discount from the Investment Manager’s estimate of intrinsic value, defined as book value, earnings value or more often private market value) which includes, generally, companies that appear to have growing dividends and companies with above-average dividends where expectations have been low but are expected to improve. It is anticipated, however, that the High Dividend Sub-Fund will generally avoid investing in companies with above-average dividends that are highly cyclical or have secular problems where fundamentals are not expected to improve. The Sub-Fund also invests, on a more limited basis, in companies the Investment Manager believes to have attractive shareholder yields at the time of purchase, along with reasonable valuations. “Shareholder yield” is the sum of a company’s dividend yield, its “buyback yield” (when a company buys back shares, remaining shareholders may benefit, as their proportionate ownership of the company increases), and its “net debt paydown yield” (prudent reductions of outstanding debt can increase the value of each share of the company). To the extent such investments are within the investment strategy of the High Dividend Sub-Fund, it may further invest in bonds, liquid assets and other investments as permitted by law and by the Articles and it may use techniques and instruments within the investment guidelines and investment restrictions as

further described below (see “*Investment Restrictions*”). The High Dividend Sub-Fund intends to qualify as an “equity fund” for purposes of the German Investment Tax Act 2018, in that at least 51% of its Net Asset Value will at all times be invested in equity securities which are listed on a stock exchange or traded on an organized market. The High Dividend Sub-Fund invests at least two-thirds of its total assets (excluding cash amounts) in equity securities. The High Dividend Sub-Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect. The Base Currency of the High Dividend Sub-Fund is the Euro. The High Dividend Sub-Fund may invest without limitation in securities denominated in currencies other than the Euro.

The High Dividend Sub-Fund does not generally seek to reduce its currency risk by hedging its perceived foreign currency exposure back to the Euro. However, the Investment Manager may, in its sole discretion, determine to hedge some or all of the Sub-Fund’s perceived exposure to one or more currencies at any time, if it believes that taking a hedged or a partially hedged posture with respect to those currencies is in the best interest of the Sub-Fund and its Shareholders. (The Sub-Fund’s perceived exposure to a foreign currency is based on the Investment Manager’s judgment of such exposure after taking into account various factors, such as the sources of the portfolio companies’ earnings and the currencies in which their securities trade.) The High Dividend Sub-Fund uses the commitment approach to monitor and measure its global exposure.

The High Dividend Sub-Fund is actively managed without reference to any benchmark.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Taxonomy Regulation.

The Board of Directors may at any time create additional Sub-Funds, whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of any new Sub-Funds, this Prospectus will be updated accordingly.

## **Profile of the Typical Investor**

The High Dividend Sub-Fund is designed for long-term non-U.S. investors who consider an investment fund a convenient way of participating in a portfolio consisting primarily of equity securities domiciled throughout the world that have above-average dividend yields and that are selected using value investing principles. The International Sub-Fund (Euro) and the International Sub-Fund (CHF) are designed for long-term non-U.S. investors who consider an investment fund a convenient way of participating in a portfolio consisting primarily of equity securities domiciled throughout the world that are selected using value investing principles. The investor must have experience with the volatility inherent in equity investments. The investor must be able to accept significant losses; thus the Sub-Funds are suitable only for investors who can afford the loss of their entire investment.

## **The Investment Manager**

The investments of each Sub-Fund are managed by Tweedy, Browne Company LLC (the “Investment Manager”), an investment adviser registered with the U.S. Securities and Exchange Commission. The Investment Manager is managed by its Management Committee (the “Management Committee”), which is composed of Jay Hill, John D. Spears, Thomas H. Shrager and Robert Q. Wyckoff, Jr., who have been affiliated with the Investment Manager and its predecessor company since 2003, 1974, 1989 and 1991, respectively. The Management Committee is responsible for the overall supervision and management of the firm. The Investment Manager’s Investment Committee (the “Investment Committee”) makes investment decisions in respect of each Sub-Fund’s assets. The Investment Committee is composed of Roger R. de Bree, Andrew Ewert, Frank H. Hawrylak, Jay Hill, John D. Spears, Thomas H. Shrager and Robert Q. Wyckoff, Jr., each of whom is also a Managing Director of the Investment Manager, and each of whom has an ownership interest in the firm.

The Investment Manager is the successor to Tweedy &

Co., established in 1920 as a dealer in closely-held and inactively-traded securities. Having first served as one of Benjamin Graham's primary brokers in its early years, Tweedy, Browne began managing money for its partners in 1959, and in 1968 accepted its first outside clients. The firm has been investing in international securities since 1983.

Today, the Investment Manager is engaged in the management of U.S., international and global equity portfolios for institutional and individual clients. The Investment Manager's principal office is in Stamford, Connecticut.

The Investment Manager is owned by its Managing Directors and certain other employees, and by a wholly-owned subsidiary of Affiliated Managers Group, Inc. (Affiliated Managers Group, Inc. together with any of its wholly-owned subsidiaries being referred to as "AMG"). AMG, which owns a majority equity interest in the Investment Manager, is a U.S.-based, publicly-traded holding company that makes equity investments in investment management firms. AMG does not generally participate in the day-to-day management or the investment process of firms in which it invests. A self-perpetuating Management Committee conducts the day-to-day operations of the Investment Manager.

## INVESTMENT PRINCIPLES

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The principles of investment management that are practiced by the Investment Manager derive directly from the work of Benjamin Graham, "the father of securities analysis" in the United States of America. John Train describes Benjamin Graham in his book, *The Money Masters*, Harper & Row, 1980, as follows:

*Benjamin Graham ranks as this century's (and perhaps history's) most important thinker on applied portfolio investment, taking it from an art based on impressions, inside information and flair, to a protoscience, an orderly discipline. He applied great astuteness, hard experience, and infinitely detailed labor to a field full of superstition, tips and guesswork, one in which most people who have something to say also have an*

*incentive to deceive the listener. Employing analysis of published records, Graham explained and demolished fallacy after fallacy — often as neatly as if opening a letter.*

*Graham's summa, after 70 years still the basic text of the profession, is his **Security Analysis**. Most useful for most readers, however, and indeed the best book ever written for the stockholder, is **The Intelligent Investor**. One is ill advised to the point of folly to buy a bond or a share of stock without having read its three hundred pages. Many people, including experienced businessmen and professionals, have been financially shipwrecked because they trustingly set forth in a leaky craft captained by an incompetent. Someone who spent the few hours necessary to understand **The Intelligent Investor** would be unlikely to suffer this fate. Yet, alas, few stockholders, let alone investors, have done it.*

The primary emphasis of the Investment Manager is on the preservation of capital while seeking a satisfactory rate of return. In the words of Graham, "An investment operation is one which, upon thorough analysis, promises safety of principal and an adequate return. Operations not meeting these requirements are speculative." (While the Investment Manager seeks to make such investments on behalf of each Sub-Fund, it cannot guarantee safety of principal or adequate return.)

The basis of the Investment Manager's investment philosophy is the existence of a two-tier price structure for the shares of any publicly-traded corporation. First, there is the stock market value: the most recent price at which fractional interests or shares have traded on a securities exchange. Second, there is the intrinsic value of shares: the value that accrues to stockholders in the event a corporation is merged, acquired, or liquidated.

The purchase of a share of stock is fundamentally the purchase of a fractional ownership interest in a business, thus the Investment Manager's research focuses on the determination of the "intrinsic value" of the shares. Fundamental principles of balance sheet and income statement analyses, knowledge and evaluation of individual company and industry fundamentals,

analyses and understanding of actual corporate mergers, acquisitions, and spin-offs form the core of this research. In addition, the research incorporates cross-border comparisons of companies in comparable industries and adjustments to reflect both differing accounting and business practices, as well as competitive conditions within specific countries.

The Investment Manager uses financial databases to screen current financial data on over 20,000 publicly-traded companies worldwide. From this data, the Investment Manager researches and, for its traditional portfolios, generally selects for investment those issues selling at a significant discount to the Investment Manager's estimate of their intrinsic value. The Investment Manager's research encompasses the entire spectrum of market capitalization. The majority of publicly-traded companies worldwide are smaller capitalization securities, and to exclude these companies from the research process would in practice be to exclude the majority of potential investment opportunities from the Sub-Funds.

Benjamin Graham defined the discount from intrinsic value at which investments may be made as a "margin of safety." For example, if a security were purchased at two-thirds or less of the Investment Manager's estimate of intrinsic value, it would be backed, in the Investment Manager's view, by corporate net worth, or "collateral", which is approximately one and one-half times the cost of the investment. In the Investment Manager's view, this "collateral" provides protection (Ben Graham's "margin of safety") against permanent significant capital loss (although periodic stock market declines can and do occur). In contrast to the "efficient market theory" of investment, which holds that at any given time stock prices reflect all relevant information and are therefore true values, the Investment Manager believes that the stock market, in its excesses, has and will continue to undervalue and overvalue securities in relation to their intrinsic value.

The task of the Investment Manager is to take advantage of fluctuations in stock prices by purchasing securities at prices below its estimates of their intrinsic value, and,

to the extent market conditions warrant, generally selling securities as their market price approaches intrinsic value. To minimize the impact of errors in analysis or events which could adversely affect the intrinsic values, the Investment Manager adheres to a policy of broad diversification within each Sub-Fund, with no one issue generally accounting for more than 3%-4% at cost of the Net Asset Value of the relevant Sub-Fund (5% in the case of the High Dividend Sub-Fund) and no one industry group generally accounting for more than 15%-20% of the Net Asset Value of the relevant Sub-Fund. (Diversification does not guarantee a profit and does not protect against a loss in a declining market.)

#### ***High Dividend Sub-Fund:***

In managing the investments of the High Dividend Sub-Fund, the Investment Manager focuses on companies, both within and outside of the United States of America, with above-average dividend yields selling at reasonable valuations; i.e., some level of discount from the Investment Manager's estimate of intrinsic value. In general, two types of companies for the High Dividend Sub-Fund will primarily be targeted:

- *Companies with growing dividends:* These are successful companies that appear to have improving fundamentals and that have a history of increasing dividends with few, if any cuts, and payout ratios that are stable.
- *Companies with above-average dividends where expectations have been low but are expected to improve:* These are generally companies that have been through a difficult period, but appear to be on the mend.

The Sub-Fund also invests, on a more limited basis, in companies the Investment Manager believes to have attractive shareholder yields at the time of purchase, along with reasonable valuations.

The Investment Manager generally avoids high dividend companies that are highly cyclical or have

secular problems where fundamentals are not expected to improve. Although these companies often have some of the highest dividend yields available in the equity markets, they may also be at significant risk for dividend cuts.

## **INVESTMENT RESEARCH PROCESS**

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The Investment Manager's stock selection process incorporates the use of financial databases to screen more than 10,000 U.S. and 10,000 non-U.S. publicly-traded companies to identify a smaller universe of candidates meeting its absolute value criteria; these candidates are then subjected to intensive fundamental analysis by the Investment Manager's Investment Committee and other analysts. This generally includes a thorough analysis of financial statements, valuation modeling, direct communication with company and competitors, cross-border comparison of companies and industries and adjustments to reflect differing accounting, financial reporting and competitive conditions. Purchase and sale decisions are then made by a consensus of the available members of the Investment Committee. Among the Investment Committee members and research staff, the Investment Manager has capability in ten languages.

Most investments in the Sub-Fund's portfolios at the time of initial purchase have one or more of the following characteristics:

- low stock price in relation to book value;
- low price-to-earnings ratio;
- low price-to-cash-flow ratio;
- above-average dividend yield;
- low price-to-sales ratio as compared to other companies in the same industry;
- low corporate leverage;
- low share price;
- purchases of a company's own stock by the company's officers and directors;
- company share repurchases;
- a stock price that has declined significantly from its previous high price; and/or

- small market capitalization.

Purchases are not constrained by market capitalization and the Sub-Funds generally may have exposure to small- and medium-sized companies. Investments are generally limited to markets where, in the Investment Manager's judgment, there is a history of political stability and established procedures and practices for fair and adequate disclosure both within the corporate sector and capital markets in general.

In assessing individual companies which appear to be priced in the stock market at discounts to the Investment Manager's estimate of intrinsic value, the Investment Manager focuses on specific quantitative and qualitative factors, including, but not limited to, the following:

- the financial condition of the individual company;
- the competitive characteristics of the individual company and of the industry in which the company competes;
- the prospects for future increases in intrinsic value;
- special regulatory, social or competitive factors within the industry and country where the company maintains its principal operations;
- special accounting, tax and financial disclosure rules and practices within the company's country;
- analysis and understanding of actual corporate mergers and acquisitions within the company's industry and country;
- the cost and availability of capital, and relevant financing practices;
- shareholder rights, corporate governance and tender offer rules and practices pertaining to particular companies;
- share ownership by management, directors and corporate investors, where applicable; and
- management performance and reputation.

There is no attempt to predict the direction of either stock markets or currencies. In the opinion of the

Investment Manager, to do so is both beyond its area of expertise and, in general, has a very low probability of success.

The stock selection process for the High Dividend Sub-Fund is the same as that described above, except that, because of the Sub-Fund's focus on equity securities that have above-average dividend yields, the process often begins with the use of financial databases to screen for companies around the globe that have dividend yields greater than the yield of a relevant index. Fixed income securities and utilities are generally excluded from this screen. The Investment Manager then reviews remaining securities with a view to identifying those companies with a history of increasing earnings and dividends, or companies with stable to improving fundamentals, while eliminating those that appear to be overvalued, and those with poor balance sheets.

The remaining issues are then subjected to a more intensive fundamental review as described above.

### **Currency Hedging**

Currency exchange rates can fluctuate substantially over relatively short periods of time. The rates are determined by a variety of unpredictable factors, including supply and demand in the foreign exchange markets, the perceived merits of investing in one country relative to another, intervention by governments in foreign exchange markets and actual or expected changes in the respective country interest rates.

Subject to the investment restrictions noted under "Investment Restrictions" below, and as described further under "Introduction", the International Sub-Fund (CHF) generally seeks to reduce its currency risk, where practicable, by entering into currency hedging transactions in order to reduce the perceived foreign currency exposure of its portfolio. The International Sub-Fund (Euro) and High Dividend Sub-Fund generally do not seek to reduce their currency risk. Consistent with each Sub-Fund's investment strategies and restrictions, all hedging transactions entered into by any Sub-Fund are at the discretion of the Investment

Manager. While currency hedging transactions may reduce currency exchange risks associated with the currencies of countries in which a Sub-Fund has equity investments or the risk of an increase in the value of the Base Currency of a Sub-Fund relative to other currencies, changes in currency prices could result in lower overall performance for the relevant Sub-Fund than if it had not engaged in any such hedging transactions.

### **General information relating to Sustainability Risk integration**

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Fund is required to disclose the manner in which Sustainability Risks are integrated into investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Funds.

The Sub-Funds are considered as falling within the scope of Article 6 of the SFDR, as they do not promote Sustainability Factors and do not maximize portfolio alignment with Sustainability Factors. The Sub-Funds, however, remain exposed to Sustainability Risks. Material Sustainability Risks that are identified by the Investment Manager are integrated into the investment decision making and risk monitoring process, since they may represent potential or actual material risks and/or opportunities to maximize long-term risk-adjusted returns. Material Sustainability Risks are incorporated into due diligence and research, asset selection, portfolio construction, and ongoing investment monitoring alongside other material risk factors. Material Sustainability Risks are identified and taken into consideration, based on the likelihood of occurrence of each of them, and should one occur, it would be monitored on an ongoing basis.

The impacts following the occurrence of a Sustainability Risk event may be numerous and may vary depending on the specific risk, region and asset class affected. Sustainability Risk events generally revolve around the following themes:



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

In general, where a Sustainability Risk event occurs in respect of an asset, there may be a negative impact on (or, under certain circumstances, an entire loss of) its value. This negative impact on the value of a company in which a Sub-Fund invests may result from damage to its reputation (which, in turn, may cause a decrease in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business, and/or increased cost of capital, among other risks). A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may be diverted from furthering its business into dealing with the Sustainability Risk event, including changes to business practices and dealing with investigations and litigation. Sustainability Risk events may also give rise to loss of assets and/or physical losses, including damage to real estate and infrastructure. The utility and value of assets held by companies to which the relevant Sub-Fund is exposed may also be adversely impacted by a Sustainability Risk event.

A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country. For instance, sector and geographic

Sustainability Risk events may have an impact the value of securities whose issuers are located in a particular country or region.

The Sub-Funds may be exposed to different Sustainability Risks depending on the issuers, markets, sectors, financial instruments, geographical regions, etc. in which they invest. Unless specified with respect to a Sub-Fund, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of a Sub-Fund.

#### **INVESTMENT COMMITTEE OF THE INVESTMENT MANAGER**

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The following is a brief biography of each of the members of the Investment Committee of the Investment Manager:

**Roger R. de Bree** has been associated with the Investment Manager since 2000. He is a Managing Director of the Investment Manager and a member of its Investment Committee. Mr. de Bree is Treasurer of Tweedy, Browne Fund Inc. Prior to joining the Investment Manager, he worked at ABN AMRO Bank and MeesPierson Inc., in addition to serving as an officer in the Royal Dutch Navy from 1986 to 1988. He received a B.B.A. from Nijenrode, the Netherlands School of Business in Breukelen, the Netherlands as well as an M.B.A. from the Instituto de Estudios Superiores de la Empresa (IESE) at the University of Navarre in Barcelona, Spain.

**Andrew Ewert** has been associated with the Investment Manager since 2016. He is a Managing Director of the Investment Manager and a member of its Investment Committee. Prior to joining the Investment Manager, he held positions at Equinox Partners, L.P., Ruane, Cunniff & Goldfarb Inc., MTS Health Partners, L.P., and Bear Stearns. Mr. Ewert holds a B.B.A. from Emory University and an M.B.A. from Columbia Business School.

**Frank H. Hawrylak**, a Chartered Financial Analyst (CFA), has been associated with the Investment

Manager since 1986. He is a Managing Director of the Investment Manager and a member of its Investment Committee. Prior to joining the Investment Manager, he worked in the investment department at Royal Insurance. He received a B.S. from the University of Arizona and an M.B.A. from the University of Edinburgh, Scotland.

**Jay Hill**, a Chartered Financial Analyst (CFA), has been associated with the Investment Manager since 2003. He is a Managing Director of the Investment Manager and a member of its Investment and Management Committees. He is a holder of the CFA Institute Certificate in ESG Investing. Prior to joining the Investment Manager, he held positions with Banc of America Securities LLC, Credit Lyonnais Securities (USA) Inc., and Providence Capital, Inc. He received a B.B.A. from Texas Tech University.

**Thomas H. Shrager** has been associated with the Investment Manager since 1989 and is a Managing Director. He is a member of the Investment Manager's Investment Committee and Management Committee, as well as President and Director of Tweedy, Browne Fund Inc. and Director and Chairman of the Board of Directors of Tweedy, Browne Value Funds. Previously he had worked in mergers and acquisitions at Bear Stearns, and as a consultant for Arthur D. Little. He received a B.A. and a Masters in International Affairs from Columbia University.

**John D. Spears** joined the Investment Manager in 1974. He is a Managing Director of the Investment Manager and is a member of its Investment Committee and Management Committee. Mr. Spears is Vice President of Tweedy, Browne Fund Inc. Additionally, Mr. Spears is a member of the Board of Managers of Haverford College. Previously, he had been in the investment business for five years with Berger, Kent Associates; Davic Associates; and Hornblower & Weeks-Hemphill, Noyes & Co. Mr. Spears studied at the Babson Institute of Business Administration, Drexel Institute of Technology and the University of Pennsylvania — The Wharton School.

**Robert Q. Wyckoff, Jr.** has been associated with the Investment Manager since 1991 and is a Managing Director. He is a member of the Investment Manager's Investment Committee and Management Committee, as well as Director, Chairman of the Board of Directors and Vice President of Tweedy, Browne Fund Inc., and is a Director of the Tweedy, Browne Value Funds. Prior to joining the Investment Manager, he held positions with Bessemer Trust, C.J. Lawrence, J&W Seligman, and Stillrock Management. He received a B.A. from Washington & Lee University and a J.D. from the University of Florida School of Law.

## **INVESTMENT MANAGEMENT AGREEMENT**

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The Board of Directors has broad powers to act in any circumstances on behalf of the Fund, subject to the powers expressly assigned by law to the general meeting of Shareholders. The Board of Directors has the responsibility to administer and manage the Fund and each Sub-Fund, and to determine the investment objectives and policies to be pursued in each Sub-Fund.

In order to implement those investment objectives and policies, the Fund and the Management Company have entered into a Fifth Amended and Restated Investment Management Agreement (the "Investment Management Agreement") with the Investment Manager under the terms of which the Investment Manager, subject to the overall control and responsibility of the Board of Directors and oversight by the Management Company, manages the investment and reinvestment of the securities, cash and other properties constituting the assets of the Sub-Funds. The Investment Manager bears all expenses related to services performed by it for the Fund and the Sub-Funds, including advisory and operating expenses incurred. Brokerage commissions, depositary charges, taxes, auditing and legal expenses, and all other operating costs of the Fund and each Sub-Fund are payable by the Fund or the relevant Sub-Fund.

Subject to the fee waiver described further below, each Sub-Fund pays to the Investment Manager, quarterly in arrears, an investment management fee at an annual rate of 1.25% of the average aggregate Net Asset Value of

the Investor Shares of such Sub-Fund, computed as of the close of business on the applicable Valuation Date (see “*Net Asset Value*”). The investment management fee is borne by the holders of Investor Shares of the relevant Sub-Fund and accrued fees are deducted in determining the Net Asset Value of the Investor Shares. No investment management fee is charged on or borne by the Manager Shares of each Sub-Fund.

The Investment Management Agreement dated and effective as from October 1, 2019 is for a term of 30 years, but may be terminated by the Investment Manager or by the Board of Directors upon 90 days’ written notice. In addition, the Investment Manager has agreed that the Investment Management Agreement will be immediately terminated upon the request of the Board of Directors if the Board of Directors and the Management Company consider such immediate termination to be in the best interests of Shareholders.

The Investment Manager has voluntarily agreed to waive a portion of its fee through at least December 31, 2023 pursuant to an amended and restated voluntary investment management fee waiver agreement (“fee waiver agreement”). Pursuant to the fee waiver agreement, the annual rate of the investment management fee applicable to each of Tweedy, Browne International Value Fund (Euro), and Tweedy, Browne International Value Fund (CHF) is 1.00%, while it is 0.90% for Tweedy, Browne Global High Dividend Value Fund.

In the event that the Investment Management Agreement is terminated for any reason whatsoever, the Fund will, in accordance with the provisions of the Articles, change its name forthwith upon the request of the Investment Manager, specifically to a name not using the words “Tweedy, Browne” or the initials “T.B.” in any part thereof.

Subject to applicable law and regulations, the Investment Manager, at its absolute discretion, may on a negotiated basis and based on an objective criteria (*e.g.* investor that are investing large amounts either initially or are anticipated to do so over time such as platform

service providers or those who are cornerstone or early investors in a given Sub-Fund, large account managed by the Investment Manager), enter into private arrangements with Shareholders and prospective Shareholders pursuant to which the Investment Manager may make payments (or “rebates”) of all or part of the fees paid by the Fund to the Investment Manager. Consequently, the effective net fees payable by a Shareholder who is entitled to receive a rebate under the arrangements described above may be lower than the fees payable by a Shareholder who does not participate in such arrangements.

## **THE OFFERING**

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The Fund has three Classes of Investor Shares: one Class relating to each of the Sub-Funds (see “*Subscription Price*” below.).

The net proceeds of the issue of a Class are invested in the specific pool of assets constituting the relevant Sub-Fund. Investor Shares are issued in registered form only. No bearer shares are issued.

The Investor Shares are available for issue by the Fund to investors twice each month, as of each Valuation Date, except as noted under “*Temporary Suspension of Determination of Net Asset Value*”.

### **Subscription Price**

Investor Shares of each Class are issued at a subscription price equal to their respective Net Asset Value computed as of the close of business on the applicable Valuation Date. The subscription price of Investor Shares is available at the registered office of the Fund and with any payment agent. Subscriptions are dealt with at an unknown Net Asset Value.

Minimum initial and subsequent purchases of Investor Shares are as follows:

### **Class B Investor Shares**

-relating to the International Sub-Fund (Euro):

Minimum initial subscription: € 10,000

Minimum subsequent subscription: € 1,000

### **Class C Investor Shares**

-relating to the International Sub-Fund (CHF):

Minimum initial subscription: CHF 10,000

Minimum subsequent subscription: CHF 1,000

### **Class D Investor Shares**

-relating to the High Dividend Sub-Fund:

Minimum initial subscription: € 10,000

Minimum subsequent subscription: € 1,000

### **Subscriptions for Investor Shares**

Investors may open an account to subscribe for Investor Shares by submitting by mail or facsimile the Fund's form of Subscription Agreement to State Street Bank International GmbH, Luxembourg Branch (the "Luxembourg Central Administrator"), of 49, avenue J.F. Kennedy, L-1855 Luxembourg, Fax Number: (352) 245 294 67. Subscription Agreements may be obtained from the Fund or its designated agents. Investors whose Subscription Agreements are accepted will be allotted Investor Shares issued on the basis of the Net Asset Value per Share of the relevant Class determined on the Valuation Date next following timely receipt of the Subscription Agreement. Subscription requests will be considered timely if received not later than 12:00 noon Luxembourg time at least **two Business Days** prior to the applicable Valuation Date. Subscription requests that are made after an account is opened must include at least the following information:

- the identity and address of the Shareholder requesting the subscription;
- identification of the Sub-Fund or Sub-Funds for which the subscription is made (including Sub-Fund name or ISIN or class code); and
- the total number of whole Investor Shares being purchased (or the CHF or € amount to be purchased, in which case the nearest number of whole shares that can be purchased with that amount will be purchased).

An investor may either elect to purchase such number of whole Investor Shares as may be purchased with a stated amount of the Base Currency of the relevant Sub-Fund, or elect to purchase a stated amount of whole Investor

Shares. In either case, Investor Shares will be issued at the relevant Net Asset Value per Investor Share. **NO FRACTIONAL INVESTOR SHARES WILL BE ISSUED.** (Please refer to "*Payment for Investor Shares*" below for payment instructions.)

Canadian residents may choose to declare their Canadian residency for tax purposes and direct the Fund to issue no more than 9.9% of the outstanding Investor Shares of any Sub-Fund to them and to return any excess funds tendered. Canadian residents making this declaration should also declare to the Fund any other beneficial or indirect holdings of Investor Shares presently held or subsequently acquired.

### **Payment for Investor Shares**

Payment in good funds for Investor Shares should be made as follows:

*Payment must be made in the Base Currency of the relevant Sub-Fund in the form of electronic bank transfer, net of all bank charges, to the order of the Fund (see Subscription Agreement). **Payment of the subscription price must be made not later than four Business Days after the applicable Valuation Date.** All payments must be for whole share amounts. **NO FRACTIONAL INVESTOR SHARES WILL BE ISSUED.***

**For purchases of Class B Investor Shares (relating to the International Sub-Fund (Euro))** payment should be made in Euros by bank telegraphic transfer to Bank of America N.A., Frankfurt/Main, Germany, Swift: BOFADEFX, BLZ Code 500 109 00, IBAN: DE12 5001 0900 0017 8201 91, Account Name: SSB Lux re: Tweedy, Browne Euro, Account No. 601917820191, Ref: Tweedy, Browne International Euro purchase and Subscriber Name/Account Number.

**For purchases of Class C Investor Shares (relating to the International Sub-Fund (CHF))**, payment should be made in Swiss francs to Bank of America, London Swift: BOFAGB22, Account Name: SSB Lux re: Tweedy Browne CHF, Account No. 6008-63862033, Ref: Tweedy, Browne International Swiss Franc Value

Purchase and Subscriber Name/Account Number.

***For purchases of Class D Investor Shares (relating to the High Dividend Sub-Fund)***, payment should be made in Euros by bank telegraphic transfer to Bank of America N.A., Frankfurt/Main, Germany, Swift: BOFADEFX, IBAN: DE12 5001 0900 0017 8201 91, Account Name: SSB Lux re: Tweedy, Browne Euro, Account No. 601917820191, Ref: Tweedy, Browne Global High Dividend Purchase and Subscriber Name/Account Number.

### **Distribution Arrangements**

The Management Company has been appointed global distributor to perform marketing, distribution and sales functions for the Fund (the “Global Distributor”). Shareholders may invest in a Sub-Fund through a distributor or other financial intermediary who invests in the Fund in nominee name on behalf of investors (a “nominee”). If you invest through a nominee, the nominee’s name, and not yours, will appear on the Fund’s register of Shareholders, and the nominee will effect purchases, conversions and redemptions of shares of the Sub-Fund(s) on your behalf. The nominee will maintain its own records and will provide you with individualized information as to your holdings of Sub-Fund shares. If you invest in the Fund through a nominee, you have the right to claim direct title to the shares purchased on your behalf by the nominee, unless otherwise provided by local law.

If you invest in shares of a Sub-Fund through a nominee, you should be aware that you will only be able to fully exercise your rights directly against the Fund, notably the right to participate in general Shareholders’ meetings, if you are registered in your own name in the register of Shareholders. Shareholders are advised to inform themselves of, and to consult their nominee regarding, the rights that they have in respect of Shares held through the nominee.

Shareholders are not required to invest in the Fund through a nominee and may instead subscribe for Shares directly through the Luxembourg Central

Administrator. In addition, Shareholders who have invested through a nominee may at any time request the transfer to their own name of the Shares subscribed via the nominee depending on their contractual arrangements with the nominee. However, these provisions are not applicable for Shareholders solicited in countries where the use of the services of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

For the avoidance of doubt, in cases where a nominee invests in the Fund in its own name on behalf of Shareholders, any applicable minimum subscription and/or holding amounts will be assessed at the nominee level, rather than at the level of the underlying Shareholders.

### **Service Arrangements**

The Global Distributor may designate one or more entities, such as investment fund platforms and other intermediaries, to make Investor Shares of the Sub-Funds available to their customers. In connection with any such designation, the Fund and/or the Global Distributor, in consultation with and upon request of the Fund, may enter into, on behalf of the Fund, agreements with such entities. Each Sub-Fund may pay up to 0.1% of the average aggregate Net Asset Value of its Investor Shares per annum in service fees charged by such entities. The Fund may also join in agreements with investment fund platforms or other intermediaries to indemnify such entities, if any, for certain liabilities, including material omissions or misstatements in this Prospectus and other authorized marketing materials for the Fund.

### **Data Protection**

The Fund and, to a limited extent, the Investment Manager may from time to time receive personal information relating to individuals who are investors, or, in case of an investor that is not a natural person, information relating to the officers, directors, partners, members or beneficial owners of the Investor (each person, a “data subject”, or “you” and such information

“personal information”). Such information is further described below. If you are not a natural person, you agree and commit yourself to provide the disclosures set out below to the individuals whose personal information you have provided in accordance with articles 12 to 14 of the GDPR (as defined below). Personal information relating to Investors is subject to certain legal safeguards specified in the Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (the “GDPR”) (including but not limited to the law of August 1, 2018 organizing the National Commission for data protection and the general system on data protection) and applicable domestic legislation implementing the GDPR (together, the “Data Protection Legislation”). The Data Protection Legislation prescribes the way in which the Fund and the Investment Manager and their agents and service providers, including the Fund’s administrator and transfer agent, State Street Bank International GmbH, Luxembourg Branch (the “Luxembourg Central Administrator”) may collect, retain and handle personal information.

The types of personal information that may be processed include, for example, your (or your officers’, directors’, partners’, members’ or employees’) name, address, telephone number, mobile/cell number, email, date of birth, nationality and gender; your (or your officers’, directors’, partners’, members’ or employees’) bank account details, source of wealth information, account information, bank statements and payment instructions; information relating to your subscription (including transaction data) or proof of your eligibility to purchase interests in the Fund; copies of your (or your officers’, directors’, partners’, members’ or employees’) passport and other official documentation required for identity or address verification purposes; and your tax identification number and account number.

Your personal information is processed on lawful bases. These are the performance of contract, legal obligations and certain legitimate interests of the Fund. The Fund

may process your personal information to ensure the ability of the Fund to perform its obligations under the Subscription Agreement, the constitutional documentation of the Fund and other documents that together form the basis for the investor’s contractual relationship with the Fund (where applicable), and certain required pre-contractual steps. If an investor does not provide the personal information requested and if such personal information is strictly necessary to manage the investor’s investment in the Fund, it will not be possible to accept the investor’s investment in the Fund. The Fund and its service providers, such as the Luxembourg Central Administrator, are required to comply with legal and regulatory requirements applicable to them, including, for example, any regulatory or tax reporting requirements; to carry out anti-money laundering/terrorist financing checks, for purposes of fraud prevention, to comply with any applicable auditing or financial reporting requirements; and to comply with information disclosure requests from regulatory, tax or other governmental or public authorities.

In addition, your personal information may also be processed on the basis of the legitimate interests of the Fund to manage and administer the Fund’s business and to provide information to its service providers to allow them to comply with their legal and regulatory obligations, especially where these derive from the laws of countries outside the European Economic Area (“EEA”). Personal information may also be processed in order to disclose information to a governmental, tax or regulatory body, financial market, broker or other intermediaries, counterparties, court, auditors or other third parties and to conduct compliance activities, when the Fund and/or the Investment Manager consider(s) this to be in its/their interests, or the interests of another person, but where such disclosure is not required by the laws of EU member states. The Fund and the Investment Manager may process your personal information to establish, exercise or defend legal claims and in order to protect and enforce its rights, property, or safety, or to assist the investors in the Fund or others to do the same, and to investigate and respond to any complaints and

disputes. The Fund and/or the Investment Manager may also process your data to improve its/their relationship with you and other investors in the Fund, and for marketing and business development activities and analysis. If you object to being contacted in respect of prospective products, contact the Fund at [thirdpartyfunds@lemanik.lu](mailto:thirdpartyfunds@lemanik.lu).

The Fund and the Investment Manager may share certain of your personal information with the following categories of third parties for the following reasons:

- the Management Company, the Luxembourg Central Administrator and Transfer Agent and such of their affiliates and other sub-processors as may be necessary to provide the fund administration and transfer agency services, such as for the purposes of carrying out anti-money laundering checks and administering the investor's investment in the Fund;
- advisers (e.g. auditors, legal counsel and tax advisers) to the Fund relating to or in connection with the Investor's investment in the Fund;
- banking and other financial services providers to the Fund; and
- law enforcement agencies; regulatory or tax authorities and other governmental or public agencies or authorities in order to comply with legal or regulatory obligations or at their request in furtherance of their objectives.

These third parties may in turn use the services of their affiliates or service providers to process your personal information where necessary or appropriate with the Fund's or, respectively the Investment Manager's consent. Where the Fund or the Investment Manager shares your personal information with a third party, the Fund will take all necessary steps to ensure the recipients of that personal information will process it appropriately.

The Fund and the Investment Manager may transfer certain of your personal information to third party-service providers located in countries outside of the EEA, including to the Luxembourg Central Administrator and advisers as described above. In

addition, your personal data may be disclosed to regulatory, tax or other governmental or public authorities outside of the EEA. Such transfers may be made at least to the following jurisdictions: U.S.A., Switzerland, Canada and the United Kingdom.

Where your personal information is transferred outside of the EEA by the Fund or the Investment Manager, it will ensure that such transfer complies with the Data Protection Legislation, including, where appropriate, by entering into the standard contractual clauses approved by the European Commission governing the transfer of data outside the EEA. Please contact the Fund if you would like further information or a copy of the standard contractual clauses.

The Fund and the Investment Manager will not retain your personal information for longer than is necessary in relation to the purposes for which your personal information is processed, subject to applicable statutory limitations. Personal information may be retained as long as required by law, or by a tax or regulatory authority, a law enforcement agency or other governmental or public body, or considered necessary in order to allow the Fund, the Investment Manager, and their affiliates and key service providers to comply with their legal obligations or, for example, in light of an actual or potential legal action or a regulatory investigation.

Your rights under the Data Protection Legislation in relation to your personal information include the right to request access to your personal information, the right to have your personal information rectified, or (in certain circumstances) erased, to request that it is only used for restricted purposes, or to object to the processing of your personal information on the basis of legitimate interests (for example, you may object to the processing of your personal information for marketing purposes). In certain circumstances you have the right to require certain of your personal information to be transferred to you or a third party. In addition, you have the right to lodge a complaint with the relevant data regulator in your jurisdiction. You can seek to exercise any of these rights by contacting the Fund at [info@tweedysicav.com](mailto:info@tweedysicav.com).

If you have any questions or complaints regarding the processing of your personal information by the Fund and/or the Investment Manager, in the first instance, please contact the Fund at [thirdpartyfunds@lemanik.lu](mailto:thirdpartyfunds@lemanik.lu). Complaints regarding the processing of your personal information may also be made directly to the relevant data protection regulator in the EEA. In Luxembourg, this is the National Commission for Data Protection at <https://cnpd.public.lu/en.html> or the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand Duchy of Luxembourg.

### **Money-Laundering Prevention**

The Fund, the Management Company and the Luxembourg Central Administrator must comply with applicable international and Luxembourg laws and regulations regarding anti-money laundering and counter-terrorist financing (“AML/CFT”), including in particular with the Luxembourg law dated November 12, 2004 on the combat against money laundering and terrorist financing, as amended (the “2004 Law”), the Grand-Ducal regulation dated 1 February 2010, the CSSF regulation N°12-02 of December 14, 2012 (the “CSSF Regulation 12-02”), and the CSSF Circular 18/698 of August 23, 2018 on money laundering, as they may be amended or revised from time to time (altogether, the “AML/CFT Rules”). The AML/CFT Rules require the Fund, on a risk sensitive basis, to establish and verify the identity of subscribers for shares (as well as the identity of any person purporting to act on behalf of or for such subscriber for shares is so authorised and of any intended beneficial owners of the Investor Shares and Manager Shares if they are not the subscribers) and, amongst others, to gather information on the origin of subscription proceeds and to monitor the business relationship on an ongoing basis. The identity of a subscriber should be verified on the basis of documents, data or information obtained from a reliable and independent source.

Subscribers for shares will be required to provide to the Fund or its designated delegate at least the information and documentation set out in the Subscription Agreement, depending on their legal form (individual,

corporate or other category of subscriber) while noting that this information and documentation may not in all cases be regarded as exhaustive and that additional or different information and documentation may be required from time to time, including inter alia in case of any legal and regulatory changes related to AML/CFT or changes of the business practices of the Fund.

The Fund is required to establish AML/CFT controls and will require from subscribers for shares all documentation deemed necessary to establish and verify the identity and profile of a subscriber (as well as of any person purporting to act on behalf of or for such subscriber for shares is so authorised and of any intended beneficial owner), the nature and the intended purposes of the business relationship and the origin of subscription proceeds. The Fund or its delegate has the right to request additional information until the Fund or its delegate is reasonably satisfied it understands the identity and economic purpose of the subscriber in order to comply with the AML/CFT Rules and, in addition, confirmation may be requested to verify the ownership of any bank account from which or to which monies are being paid. Furthermore, any Shareholder is required to notify the Fund or its delegate of any change of its information as set out in the Subscription Agreement and, as the case may be, prior to the occurrence of any change in the identity of any beneficial owner of shares. In addition, the 2004 Law requires the Fund to conduct an ongoing monitoring of the business relationship with existing Shareholders which includes, *inter alia*, the obligation to verify and, where appropriate, to update, within an appropriate timeframe, the documents, data or information gathered while fulfilling the customer due diligence obligations. In this context, the Fund may require from existing Shareholders, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with AML/CFT measures in force in the Grand Duchy of Luxembourg, including the AML/CFT Rules.

Where subscriptions of shares are made through third parties, meaning that a subscriber is introduced as a Shareholder to the Fund by a third party (and the



Shareholder is therefore registered in Fund's Shareholder register), the Fund and its delegates may be permitted to rely on the customer identification and verification measures performed by these third parties under the conditions described in Article 3-3 of the 2004 Law. These conditions require in particular that the third parties apply customer due diligence and record-keeping requirements that are consistent with those laid down in the 2004 Law and in the Directive (EU) 2015/849 of the European Parliament and of the Council of May 20, 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and are supervised by a competent supervisory authority in a manner consistent with these rules. Such third parties shall be required to provide the Luxembourg Central Administrator with information including (i) information about the identity of the investor, the persons acting on its behalf (if any) and the beneficial owners, (if any), (ii) relevant information on the source of funds, and (iii) at the request of the Board of Directors and/or the Management Company, provide copies of the customer due diligence documents as further specified in the relevant Subscription Agreement without delay, which can be used to verify the identity of the investor (and, if applicable, all beneficial owners). The ongoing monitoring of the business relationship with the Shareholders that have subscribed for shares indirectly through the third party and thus have become a Shareholder registered in Fund's Shareholder register, has to be performed by the Luxembourg Central Administrator.

The Fund and the Global distributor may enter into distribution and nominee agreements with other distributors pursuant to which those distributors may agree to act as or appoint nominees which nominees may in turn subscribe for shares in their own name, through their facilities, but on behalf of their underlying investors (with the nominee, and not the underlying investors, being registered in the Fund's Shareholder register). In such capacity the nominee, as being a direct investor in the Fund, may effect subscriptions, conversions and redemptions of shares, in its own name but on behalf of its own underlying individual investors

and request the registration of such operations on the register of Shareholders of the Fund. In such circumstances, the nominee maintains its own records of its underlying investors and provides those underlying investors with individualised information as to its indirect holdings of shares via the nominee. As a result, the due diligence with regard to such nominee generally takes place at two levels:

- (i) A risk-based customer due diligence on the nominee (by using reliable, independent source documents, data or information) as well as on its beneficial owners, such that notably the Fund is satisfied that it knows who the beneficial owner(s) of the nominee are;
- (ii) In addition, the Luxembourg Central Administrator will perform enhanced due diligence measures with respect to such nominee pursuant to Article 3 of the CSSF Regulation 12-02 as well as Article 3-2(3) of the 2004 Law and as agreed with the Management Company.

Failure to provide information or documentation deemed necessary for the Fund or its delegate to comply with AML/CFT measures in force in the Grand Duchy of Luxembourg, including the AML/CFT Rules, may result in delays in, or rejection of, any Subscription Agreement and/or delays in any conversion or redemption requests. No liability for any interest, costs or compensation will be accepted. Similarly, when shares are issued, they cannot be redeemed or converted until full details of registration and AML/CFT documents of the Shareholder have been completed. Any costs (including account maintenance costs) which are related to non-cooperation of such Shareholder will be borne by the respective Shareholder.

The Management Company and the Investment Manager perform regular monitoring on the assets of the Fund, in accordance with Articles 3(7) and 4(1) of the 2004 Law.

Pursuant to Articles 3(7) and 4(1) of the 2004 Law, the Fund is also required to apply precautionary measures

regarding the assets of the Sub-Funds. The Management Company assesses, using a risk based approach, the extent to which the offering of the shares and services presents potential vulnerabilities to placement, layering or integration of criminal proceeds into the financial system.

Pursuant to the Luxembourg law of December 19, 2020 on the implementation of restrictive measures in financial matters, as amended, the application of international financial sanctions must be enforced by any Luxembourg natural or legal person, as well as any other natural or legal person operating in or from the Luxembourg territory. As a result, prior to the Sub-Funds investing in assets, the Investment Manager shall, as a minimum, screen the name of such assets or of the issuer against the target financial sanctions lists using widely available adverse media screening services. The Management Company and the Luxembourg Central Administrator perform an additional screening post-investment.

### **Eligible Investors**

Although Investor Shares are freely transferable, the Fund has reserved the right to prevent or restrict the ownership of Investor Shares by any “U.S. Person” and by “Prohibited Persons” as those terms are defined in the Articles. The Articles also include a proscription against the beneficial ownership of more than 9.9% of the issued and outstanding Investor Shares by any Canadian resident who has made a special declaration of such residency (see “*General Information – Compulsory Redemption*”). The Sub-Funds are registered for offering to non-qualified investors in Switzerland and for public distribution in and to residents of Germany, Italy (professional investors only), and the United Kingdom only.

### **Additional Information**

The Fund reserves the right to reject subscriptions from investors whom the Board of Directors deems inappropriate for the nature of the Fund or from any investor at such time as the Board of Directors deems it

inappropriate to increase the size of the Fund. In the event the Fund determines to reject a subscription, it will promptly notify the person submitting such subscription application and promptly refund any monies transferred.

The Fund publishes the Net Asset Value of each Class of Investor Shares on the Fund’s website, [www.tweedysicav.com](http://www.tweedysicav.com), which is updated twice each month, and may publish the Net Asset Value of each Class of Investor Shares on other electronic platform websites.

### **Share Certificates**

Investor Shares are issued in uncertificated form only, which means that a holder of Investor Shares receives only a written confirmation of his or her shareholding. Shares issued in uncertificated form have the advantage that, when processing conversion and redemption instructions, such instructions can be effected without the requirement to surrender a certificate. Written confirmations of shareholding (as appropriate) are sent to Shareholders within **five Business Days** after the relevant Valuation Date. (The Fund had formerly issued certificated shares under certain circumstances. Holders of certificated shares will generally be required to surrender their Share certificates upon redemption. Lost, stolen or destroyed Share certificates will no longer be replaced.)

### **STOCK EXCHANGE LISTING**

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None of the Investor Shares of any Class are currently listed on the Luxembourg Stock Exchange or any other stock exchange. The Board of Directors may in the future seek a listing of the Investor Shares of any Class on the Luxembourg Stock Exchange.

### **DISTRIBUTIONS**

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All Investor Shares are issued as capitalization shares that capitalize their entire earnings. Accordingly, it is not anticipated that any net income or capital gains of any Sub-Fund will be distributed to Shareholders.

## **REDEMPTION OF INVESTOR SHARES**

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The Fund redeems Investor Shares offered to it for redemption on each Valuation Date (see “*Net Asset Value*”), normally the fifteenth and last calendar days of each month or, if either of the fifteenth calendar day or last calendar day is not a Business Day, the first preceding Business Day. Shareholders so redeeming will be paid the Net Asset Value of the Investor Shares as of the applicable Valuation Date. The redemption price may be more or less than the purchase price paid by the Shareholder, depending on the Net Asset Value per Investor Share of the relevant Class at the time of redemption. (See “*Temporary Suspension of Determination of Net Asset Value*” for events which may cause temporary suspension of rights of redemption). Redemptions are dealt with at an unknown Net Asset Value.

Shareholders desiring to have all or any of their Investor Shares redeemed should apply in writing (including by facsimile) to the Luxembourg Central Administrator. Redemption requests should contain the following information (if applicable): the identity and address of the Shareholder requesting the redemption; the number and class of Investor Shares being redeemed (or the, CHF or € amount to be redeemed, in which case the nearest number of whole shares to yield such redemption proceeds will be redeemed); wire instructions for payment of proceeds; whether the Investor Shares being redeemed are evidenced by a certificate; and the name in which the Investor Shares are registered and details as to whom payment should be made (payments will only be made to Shareholders of record) and in what currency. Share certificates (if issued), with the transfer form on the back duly completed, and all necessary documents to complete the redemption should be enclosed with the redemption request. Shareholders must take due care and bear responsibility that any certificates for Investor Shares to be redeemed are received in proper form at the Luxembourg Central Administrator.

Any request for redemption of a portion of a

Shareholder’s holdings of any Class which, if honored, would result in the Shareholder’s holding of that Class having a value of less than any minimum holding requirements established for such Class by the Board of Directors from time to time may be treated as a redemption request for the Shareholder’s entire holding of that Class. Currently, minimum holdings are €10,000 for the International Sub-Fund (Euro); CHF 10,000 for the International Sub-Fund (CHF); and €10,000 for the High Dividend Sub-Fund.

Shareholders whose requests for redemption are in order will have their Investor Shares redeemed on the Valuation Date next following receipt of the redemption request, Share certificates (if applicable) and all other necessary documentation, provided that such items are received by the Luxembourg Central Administrator at least **ten Business Days** prior to the relevant Valuation Date. If the above-mentioned items are received later, the redemption will be processed as of the next Valuation Date after all such items are received in good order and the Net Asset Value per Share on the Valuation Date after the Valuation Date next following the receipt of such items will apply. However, the Board of Directors may at its discretion admit redemptions for the Net Asset Value on the Valuation Date immediately following the receipt of the items as mentioned above, even if such items are received less than **ten Business Days** before such Valuation Date, provided that the equal treatment of all Shareholders requesting the redemption of their Investor Shares as of that Valuation Date is assured, and provided further that such items are in no event received later than 12:00 noon on such Valuation Date. If redemption requests for Manager Shares in any Sub-Fund are accepted on a date less than **ten Business Days** before the relevant Valuation Date, the Board of Directors will likewise admit redemption requests of Shareholders who request redemptions of their Investor Shares as of that date.

Proceeds of redemptions will generally be paid not later than four **Business Days** (but, as noted in the Articles, may be paid up to **ten Business Days**) after the Valuation Date on which Investor Shares are redeemed. Payment will be made by wire transfer or bank order in

accordance with the Shareholder's instructions to an account indicated by the Shareholder, in the Shareholder's name, at such Shareholder's expense and at the Shareholder's risk. Payments will be made only to Shareholders of record. Proceeds of redemptions will be paid in the Sub-Fund's Base Currency (i.e., Euro in the case of the International Sub-Fund (Euro) and High Dividend Sub-Fund, and CHF in the case of the International Sub-Fund (CHF)). Redemption proceeds may be converted into any other freely convertible currency upon request and at the expense of the redeeming Shareholder.

If on any Valuation Date redemption requests and conversion requests (see below) for any Class relate to more than 10% of the Investor Shares of that Class in issue, the Board of Directors may determine that part or all of such requests for redemption will be deferred for such period as the Board of Directors considers to be in the best interests of the corresponding Sub-Fund, but normally not exceeding two Valuation Dates. Any such partial deferral will be pro-rated among Shareholders requesting redemption or conversion. On the next Valuation Date following the deferral period, deferred redemption and conversion requests will be met in priority to later-received requests.

If the value of the net assets of any Sub-Fund on any Valuation Date has decreased below the minimum level (€5,000,000 for the International Sub-Fund (Euro); CHF 5,000,000 for the International Sub-Fund (CHF); and €5,000,000 for the High Dividend Sub-Fund), or in the case of a significant change of the economic or political situation or in order to proceed to an economic rationalization, the Board of Directors may, at its discretion, elect to redeem all, but not less than all, of the outstanding Investor Shares of the relevant Class within that Sub-Fund at the Net Asset Value per Share of that Class (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Date on which such decision takes effect. The Fund will provide at least 30 days' prior notice of redemption to all holders of the Investor Shares to be so redeemed.

Redemption proceeds corresponding to Investor Shares not surrendered at the date of the compulsory redemption may be kept with the Luxembourg Central Administrator as depositary during a period not exceeding six months from the date of compulsory redemption; after this period these redemption proceeds will be kept for the statutory period in safe custody at the *Caisse de Consignation*.

Redemptions of Investor Shares of any Class will be suspended if the calculation of the Net Asset Value of Investor Shares of that Class has been suspended in the circumstances noted below. (See "*Temporary Suspension of Determination of Net Asset Value*" below.)

## **CONVERSION OF INVESTOR SHARES**

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Shareholders may, subject to the conditions noted below, convert Investor Shares of any Sub-Fund into Investor Shares of any other Sub-Fund on any Valuation Date. The rate at which such conversion will be made will be determined by reference to the relative Net Asset Values of the relevant Sub-Fund's Investor Shares, calculated as of the Valuation Date following receipt of the documents referred to below. However, in the event of a conversion between Investor Shares of two Sub-Funds whose Base Currencies are not the same, the rate of conversion between the two Sub-Funds will be based upon the exchange rate of the two Base Currencies as of the relevant Valuation Date, as well as on the relative Net Asset Values of relevant Sub-Funds' Investor Shares on the Valuation Date. No sales or redemption charges are imposed on a conversion of Investor Shares. Conversions are dealt with at an unknown Net Asset Value.

A conversion of Investor Shares of one Sub-Fund into Investor Shares of another Sub-Fund will be treated in the same manner as a redemption of Investor Shares of the one Sub-Fund and a simultaneous purchase of Investor Shares of the other Sub-Fund. A converting Shareholder may therefore realize a taxable gain or loss in connection with the conversion under the laws of the country of such Shareholder's citizenship, residence or

domicile.

All terms and notices regarding redemption of Investor Shares will apply equally to the conversion of Investor Shares. No conversion of Investor Shares will be effected until a duly completed request for conversion and, if applicable, the relevant Share certificates, duly completed for transfer, have been received by the Luxembourg Central Administrator. No fractional shares will be issued in any conversion and to the extent that a conversion would otherwise result in the issuance of a fractional share, a cash payment equal to the Net Asset Value of the fractional share will instead be made to the Shareholder.

If, as a result of any request for conversion, the value of a Shareholder's investment in any Class would fall below any minimum holding requirement established for such Class as mentioned above, the Fund may treat such request as a request for the conversion of the Shareholder's entire holdings of such Class.

Conversions of Investor Shares will be suspended if the calculation of the Net Asset Value of Investor Shares has been suspended in accordance with Article 12 of the Articles in the circumstances noted below. (See "*Temporary Suspension of Determination of Net Asset Value*" below.)

#### **LATE TRADING AND MARKET TIMING**

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According to the CSSF Circular 04/146 on "Protection of UCIs and their investors against Late Trading and Market Timing practices", the Fund and the Luxembourg Central Administrator (in its capacity as registrar and transfer agent) seek to ensure that the practices of late trading and market timing will be eliminated in relation to the distribution of Investor Shares. The cut-off times mentioned herein will be observed. Because requests for subscriptions, redemptions or conversions generally must be received prior to the relevant Valuation Date on which they are satisfied, Investors are not aware, at the time of their request, of the Net Asset Value per Investor Share at which their request will be processed.

Subscriptions, redemptions and conversions of Investor Shares should be made for investment purposes only. The Fund does not permit market-timing or other excessive trading practices. Excessive, short-term trading practices may disrupt portfolio management strategies and harm the Fund's performance. To minimize harm to the Fund and the Shareholders, the Board of Directors or the Luxembourg Central Administrator on its behalf has the right to reject any subscription or conversion order, or levy a fee of up to 2% of the value of the order for the benefit of the Fund from any investor who is believed to engage in excessive trading or who has a history of excessive trading, or if an investor's trading, in the opinion of Board of Directors, has been or may be disruptive to the Fund or any of the Sub-Funds. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control. The Board of Directors also has the power to redeem all Investor Shares held by a Shareholder who is or has been engaged in excessive trading. The Board of Directors, the Management Company and the Fund will not be liable for any loss resulting from rejected orders or mandatory redemptions.

#### **NET ASSET VALUE**

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The Net Asset Value per Share of each Class is determined as of each Valuation Date and is calculated on the Business Day following the Valuation Date based upon the market value of all of the portfolio securities of the corresponding Sub-Fund and any other assets of the Sub-Fund less all liabilities. To the extent feasible, expenses, fees, and other liabilities are accrued as of each Valuation Date.

Each Sub-Fund has two separate classes: the Class of Investor Shares relating to the Sub-Fund (i.e., Class B for the International Sub-Fund (Euro), Class C for the International Sub-Fund (CHF), Class D for the High Dividend Sub-Fund) and the Class of Manager Shares relating to the Sub-Fund. Manager Shares are only available for investment by owners of the Investment Manager (and their immediate family members and

estates). Manager Shares do not bear any investment management fee or service fee (if any), but bear other expenses of the Fund *pro rata* to their Net Asset Value.

The proceeds of subscriptions of Investor Shares are invested in the relevant Sub-Fund and increase the Investor Shares' portion of the Net Asset Value of the Sub-Fund. Redemptions of Investor Shares will decrease the Investor Shares' portion of the Net Asset Value of the Sub-Fund. At the beginning of each valuation period (the opening of the day following a Valuation Date) the Investor Shares' portion of Net Asset Value of the relevant Sub-Fund is determined as a percentage, based on the relative total Net Asset Value of Investor Shares and Manager Shares at the beginning of the period, after giving effect to all subscriptions and redemptions on the preceding Valuation Date. On the next following Valuation Date, the Investor Shares' allocable portion of the Net Asset Value of the Sub-Fund on the Valuation Date is determined by applying the same percentage to the Total Net Assets of the Sub-Fund on the Valuation Date. "Total Net Assets" is defined as total assets less all liabilities other than liabilities accrued since the last Valuation Date for investment management and service fees (if any). Those accrued liabilities for investment management and service fees (if any) are then deducted from the Investor Shares' portion of the Net Asset Value of the Sub-Fund so determined and the Net Asset Value per Investor Share is the remainder, divided by the number of Investor Shares of the Sub-Fund outstanding on the Valuation Date. In this manner, the investment management fee, plus any service fee, is allocated to and borne by such Investor Shares.

The proceeds of subscriptions of Manager Shares are invested in the relevant Sub-Fund, and redemptions of Manager Shares will decrease the Manager Shares' portion of the Net Asset Value of that Sub-Fund. At the beginning of each valuation period, as mentioned above, the Manager Shares' portion of the Net Asset Value of the relevant Sub-Fund is determined as a percentage, based on the preceding portion of the Net Asset Value of such Sub-Fund, and is adjusted for subscriptions and redemptions on the last preceding Valuation Date.

Assets of each Sub-Fund are valued in its Base Currency in accordance with policies adopted by the Board of Directors. (The Sub-Funds do not necessarily invest in each of the types of instruments for which the Board of Directors has adopted a valuation policy. Please consult the "Introduction" section of this Prospectus, which describes each Sub-Fund's investment strategies.) A summary of the valuation policies adopted by the Board of Directors is set forth below:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- (b) the value of Transferable Securities and Market Instruments and any other assets listed or dealt in on any stock exchanges or on a Regulated Market and/or any Other Regulated Market is based on the last available closing price on the relevant market which is normally the principal market for such assets;
- (c) in the event that any assets are not listed or dealt in on any stock exchange or on any Regulated Market and/or any Other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange or on any Regulated Market and/or Other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) above is determined not to be representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith;
- (d) the liquidating value of futures, forward or options contracts not traded on a stock exchange or on Regulated Markets, or on Other Regulated Markets will mean their net liquidating value determined, pursuant to the policies established by the Board of

Directors, on a basis consistently applied for each different variety of contracts. The value of futures, forward or options contracts traded on a stock exchange or on Regulated Markets, or on Other Regulated Markets will be based upon the last available settlement or closing prices as applicable to these contracts on a stock exchange or on Regulated Markets, or on Other Regulated Markets on which the particular futures, forward or options contracts are traded on behalf of the Fund; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract will be such value as the Board of Directors may deem fair and reasonable;

- (e) swaps will be valued at fair value as determined in good faith pursuant to procedures established by the Board of Directors;
- (f) units or shares of open-ended UCIs will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price will be determined by the Board of Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value; and
- (g) all other Transferable Securities, Money Market Instruments and other financial liquid assets, including equity and debt securities, are valued at fair market value (see “*Fair Market Valuation*”, below) as determined in good faith pursuant to procedures established by the Board of Directors. Such valuation may also apply to securities and other assets for which current market quotations are not readily available, and those securities which are not readily marketable due to significant legal and contractual restrictions and to any other assets of any Sub-Fund if an event has occurred subsequent to the time a value was established which is likely to materially affect such value.

The Board of Directors, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

The value of all assets and liabilities not expressed in the Base Currency of a Sub-Fund is converted into the Base Currency of such Sub-Fund at rates last quoted by any major bank or by Thomson Reuters. In the event that exchange rates are not available for a particular currency on a Valuation Date, the last quoted exchange rate is used.

***Fair Market Valuation.*** Fair value generally is defined as the amount for which the security or asset could be sold in an orderly disposition over a reasonable period of time, taking into account the nature of the asset, and is inherently an imprecise approximation of actual value.

In making the determination of fair value of a portfolio security, the Board of Directors considers all factors pertinent, although no particular factor may be determinative. Among the potential actual factors are the following:

- type of security;
- financial statements of the issuer;
- cost at date of purchase;
- size of holding;
- market value of unrestricted securities of the same class;
- special reports prepared by analysts;
- information as to any transaction;
- existence of merger proposals or tender offers with respect to the security;
- price and extent of public trading in similar securities of the issuer or comparable companies; and
- other relevant matters.

In making a fair value determination, as a general matter, portfolio securities and other assets are valued

primarily by reference to the public market if there is a public market for securities of the same class or similar securities; primarily by reference to private transactions if public market reference is not available and private transaction reports are available; and primarily by use of one or more analytical methods or models if public and private market references are not available or not reliable. Cost is used only if there is no better method of valuation available.

Valuations as described above may be made by the Investment Manager under the direction of the Board of Directors but the responsibility for making such valuations remains with the Board of Directors.

**Fees and Expenses.** The Fund bears its costs and expenses which comprise fees payable to the Management Company, Investment Manager, service fees, if any, fees and expenses payable to its auditors and accountants, depository and its correspondents, distributors, domiciliary and corporate agent, registrar and transfer agent, any listing agent, any paying agent, any permanent representatives in places of registration, risk management agent, as well as any other agent employed by the Fund; the remuneration of the members of the Board of Directors (other than members or employees of the Investment Manager), reasonable out-of-pocket expenses of the members of the Board of Directors, insurance coverage, reasonable traveling costs for the Board of Directors in connection with board meetings; fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any Governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country; reporting and publishing expenses, including the cost of preparing, printing, advertising and distributing prospectuses, KIIDs, explanatory memoranda, periodical reports or registration statements, and the costs of reports to Shareholders; all taxes, duties, governmental and similar charges; and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, and telephone. The Fund may accrue administrative and other expenses of a regular or

recurring nature based on an estimated amount ratably for yearly or other periods.

Where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability is allocated to the relevant Sub-Fund. However, no investment management fees or service fees (if any) will be allocated to the Manager Shares of a Sub-Fund. In the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability is allocated to all the Sub-Funds *pro rata* to the Net Asset Values of the relevant Classes or in such other manner as determined by the Board of Directors, acting in good faith.

The Net Asset Value of Investor Shares and the issue, redemption and conversion prices of Investor Shares may be obtained during business hours at the office of the Luxembourg Central Administrator.

If, since the close of business on the relevant Valuation Date, there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or quoted, the Fund, in order to safeguard the interests of the Shareholders, the relevant Sub-Fund and the Fund, may (but will not be required to) cancel the first valuation and carry out a second valuation. All subscription, redemption and conversion requests will be treated on the basis of this second valuation, if made.

#### **TEMPORARY SUSPENSION OF DETERMINATION OF NET ASSET VALUE**

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The Board of Directors may suspend the determination of the Net Asset Value of the Investor Shares of any Sub-Fund, and the issue, redemption and conversion of such Investor Shares, for the whole or any part of any period when (a) any market or stock exchange on which a substantial portion of the Sub-Fund's investments are quoted is closed, other than for ordinary holidays, or during which dealings therein are restricted or suspended; (b) there exists any state of affairs which, in the opinion of the Board of Directors, constitutes an



emergency as a result of which disposition by the Sub-Fund of its investments is not reasonably practicable or would be seriously prejudicial to Shareholders; (c) there has been a breakdown in the means of communication normally employed in determining the price or value of any of the Sub-Fund's investments, or of current prices on any stock exchange as aforesaid; (d) the Fund is unable to repatriate funds for the purpose of making redemptions of Investor Shares of such Sub-Fund or the transfer of funds involved in the realization or acquisition of any investments of the Sub-Fund cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; (e) for any other reason the prices of any investments owned by the Sub-Fund cannot promptly or accurately be ascertained; (f) if the Fund has invested as a feeder fund in a master fund structure, the calculation of the net asset value per share/unit, the issue, redemption and/or conversion is suspended at the level of the master fund; or (g) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving the winding up of the Fund.

Notice of the beginning and of the end of any period of suspension will be given by the Fund to all the Shareholders by means of publication and may be sent to Shareholders affected; i.e., all Shareholders having made an application for subscription, redemption or conversion of Investor Shares for which the calculation of the Net Asset Value has been suspended.

Any application for subscription, redemption or conversion of Investor Shares is irrevocable except in case of suspension of the calculation of the Net Asset Value per Share of a particular Sub-Fund, in which case Shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with on the first Valuation Date following the end of the period of suspension.

#### **DISCLOSURE OF PORTFOLIO HOLDINGS AND OTHER INFORMATION RELATING TO THE SUB-FUNDS**

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The full schedule of holdings of each Sub-Fund is

published twice yearly, in the Fund's annual and semi-annual reports to Shareholders. Additional information on portfolio holdings, including top 20 equity holdings and country and sector allocations, is generally updated monthly and posted to the Fund's website, [www.tweedysicav.com](http://www.tweedysicav.com). In addition, to the extent authorized by the Board of Directors, the Investment Manager may, subject to certain restrictions designed to protect the interests of the Fund and the Sub-Funds and in compliance with applicable laws and regulations, such as those relating to the prevention of market timing and related practices, authorize the disclosure on a confidential basis of information pertaining to the Fund or the Sub-Funds, including portfolio holdings information.

#### **INVESTMENT RESTRICTIONS**

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The Fund will, based upon the principle of risk spreading, have the power to determine the corporate and investment policy for the investments for each Sub-Fund, the Currency of Denomination, the Base Currency, as the case may be, and the course of conduct of the management and business affairs of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under "*Introduction*", the investment policy of each Sub-Fund will comply with the rules and restrictions laid down hereafter. Although the Investment Manager may not employ all of the investment techniques and instruments described below, the Fund is authorized to use these techniques and instruments, subject to the limitations described below.

##### **A. Specific Investment Restrictions**

*Investments in the Sub-Funds may comprise only one or more of the following:*

- (i) Transferable Securities and Money Market Instruments admitted or dealt in on a Regulated Market;
- (ii) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market

in a Member State;

(iii) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange of an Other State or dealt in on an Other Regulated Market in an Other State;

(iv) Recently issued Transferable Securities and Money Market Instruments, provided that;

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange in an Other State or on an Other Regulated Market as described under (i)-(iii) above;
- such admission is secured within one year of issue;

(v) Units of UCITS and/or UCIs within the meaning of Article 1, paragraph 2, points a) and b) of the UCITS Directive, whether or not established in a Member State or in an Other State, provided that:

- such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured (currently, the United States of America, Canada, Switzerland, Hong Kong, Norway, Japan, the Isle of Man, Jersey and Guernsey);
- the level of protection for Shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and short sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
- the business of the other UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the assets of the UCITS or

of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

(vi) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in EU law;

(vii) financial derivative instruments, i.e., in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (i), (ii) and (iii) above, and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:

- the underlying consists of instruments covered under “*Specific Investment Restrictions*”, financial indices, interests rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objectives;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority, and the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund’s initiative;
- under no circumstances will these operations cause the Sub-Fund to diverge from its investment objectives;

(viii) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (i), (ii) or (iii) above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by EU law; or
- issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least €10,000,000 and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, as amended, in an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

***Each Sub-Fund may however:***

- (ix) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under (i) through (iv) and (viii).
- (x) Hold up to 20% of its net assets in ancillary liquid assets (*i.e.*, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) for treasury purposes (under unfavorable market conditions, such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the Shareholders).
- (xi) Hold cash equivalent (*i.e.*, bank deposits, Money Market Instruments or money market funds) in order to achieve its investment goals, for treasury purposes, and/or in case of unfavorable market conditions, pursuant to the applicable investment restrictions.
- (xii) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (xiii) Acquire foreign currency by means of a back-to-back loan.

In addition, the Fund will comply with respect to the net assets of each Sub-Fund with the following risk diversification rules.

## **B. Risk Diversification Rules**

For the purpose of calculating the restrictions described in (ii) to (v), and (xiv) below, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple portfolios where the assets of a portfolio are exclusively reserved to the investors in such portfolio and to those creditors whose claim has arisen in connection with the

creation, operation and liquidation of that portfolio, each portfolio is to be considered as a separate issuer for the purpose of the application of the risk spreading rules described in (i) to (v), (vii) to (ix) and (xii) to (xiv) below.

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

(i) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

- upon such purchase more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of one single issuer; or
- the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(ii) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(iii) The limit of 10% set forth above under (i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(iv) The limit of 10% set forth above under (i), first point, is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public supervision in order to protect the holders of

such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable laws in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in qualifying debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(v) The securities specified above under (iii) and (iv) are not to be included for purposes of computing the ceiling of 40% set forth above under (i), second point.

(vi) Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other member state of the Organization for Economic Cooperation and Development (“OECD”) such as the United States of America or by a public international body of which one or more Member State(s) are member(s), provided that (A) such securities are part of at least six different issues and (B) the securities from any such issue do not account for more than 30% of the total net assets of such Sub-Fund.

(vii) Without prejudice to the limits set forth under “*Limitations on Control*” below, the limits set forth in (i) above are raised to a maximum of 20% for investments in stocks and/or debt securities issued by the same body when the aim of the Sub-Fund’s investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the Regulatory Authority, on the following basis:

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

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

### ***Bank Deposits***

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

### ***Derivative Instruments***

- (ix) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to above in (vi) under "*Specific Investment Restrictions*" or 5% of its net assets in other cases.
- (x) Investment in financial derivative instruments may be made, only within the limits set forth in (ii), (v) and (xiv) under "*Risk Diversification Rules*", and provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (i) to (v), (viii), (ix), (xiii) and (xiv) under "*Risk Diversification Rules*". When the Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits set forth in (i) to (v), (viii), (ix), (xiii) and (xiv) under "*Risk Diversification Rules*".

Because the Sub-Funds do not have for their main strategy the use of total return swaps or other financial derivative instruments with the same characteristics, no information on the underlying

strategy and composition of the investment portfolio or index has been disclosed. However, should one or several Sub-Funds contemplate to use primarily such instruments, appropriate disclosures will be added according to the ESMA Guidelines 2014/937 on ETFs and other UCITS.

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

- (xi) When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of (vii) under "*Specific Investment Restrictions*", (x) under "*Risk Diversification Rules*" and the restrictions set forth under "*Additional Investment Restrictions*" as well as with any other risk exposure and information requirements laid down in the Prospectus and KIIDs of the Fund.

### ***Units of Open-Ended Funds***

- (xii) No Sub-Fund may invest more than 20% of its net assets in the units of a single UCITS or other UCI.

For the purpose of the application of this investment limit, each portfolio of a UCI with multiple portfolios within the meaning of Article 181 of the 2010 Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various portfolios vis-à-vis third parties is ensured. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in (i) to (v), (viii), (ix), (xiii) and (xiv) under "*Risk Diversification Rules*".

When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly



or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the share capital or the voting rights, the Investment Manager or other company may not charge investment management, subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or other UCIs.

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs will, if applicable, disclose in "*Summary Of Principal Terms*" and "*Investment Management Agreement*" of this Prospectus the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report, the Fund will indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

**Notwithstanding the above, the Board of Directors of the Fund has decided that, in respect of all Sub-Funds, not more than 10% of the assets of any Sub-Fund may in the aggregate be invested in UCITS or UCIs.**

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

Although not currently contemplated, if determined by the Board of Directors, each Sub-Fund may act as a feeder fund (the "Feeder") of a master fund. In such case, the relevant Sub-Fund will invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS (the "Master"), which is not itself a Feeder nor holds units/shares of a Feeder. The Sub-Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with Article 41 second indent of second paragraph of

the UCI Law;

- financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 first indent, point g) and Article 42 second and third indents of the UCI Law;
- movable and immovable property which is essential for the direct pursuit of the Fund's business.

When a Sub-Fund invests in the shares/units of a Master which is managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares/units of the Master.

A Feeder Sub-Fund that invests into a Master will disclose in the portion of the Prospectus relating to such Sub-Fund the maximum level of the management fees that may be charged both to the Feeder Sub-Fund itself and to the Master in which it intends to invest. In its annual report, the Fund will indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the Master. The Master will not charge subscription or redemption fees for the investment of the Feeder Sub-Fund into its shares/units or the divestment thereof.

#### ***Combined Limits***

(xiii) Notwithstanding the individual limits laid down in (i), (viii) and (ix) above, a Sub-Fund may not combine:

- investments in Transferable Securities or Money Market Instruments issued by,
- deposits made with, and/or

- exposures arising from OTC derivative transactions undertaken by a single body in excess of 20% of its net assets.
- (xiv) The limits set out in (i), (iii), (iv), (viii), (ix) and (xiii) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or financial derivative instruments made with this body carried out in accordance with (i), (iii), (iv), (viii), (ix) and (xiii) above may not exceed a total of 35% of the net assets of each Sub-Fund of the Fund.

### C. Limitations on Control

- (i) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.
  - (ii) No Sub-Fund may acquire (a) more than 10% of the outstanding non-voting shares of any one issuer; (b) more than 10% of the outstanding debt securities of any one issuer; (c) more than 10% of the Money Market Instruments of any one issuer; or (d) more than 25% of the outstanding shares or units of any one UCITS and/or UCI.
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
  - shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investment policy the restrictions set forth under (i) to (v), (viii), (ix) and (xii) to (xiv) under “*Risk Diversification Rules*”; and
  - shares in the capital of subsidiary companies which, exclusively on behalf of the Fund carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of Shareholders.

### D. Additional Investment Restrictions

*In addition, in respect of its assets, the Fund will comply with the following investment restrictions per instrument:*

The limits set forth above in (ii) (a) to (d) under “*Limitations on Control*” may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above under (i) and (ii) under “*Limitations on Control*” do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;

Each Sub-Fund is required to ensure that its global risk exposure relating to financial derivative instruments does not exceed its total net value. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

*Finally, in respect of the assets of each Sub-Fund, the Fund will comply with the following investment restrictions:*

- (i) No Sub-Fund may acquire precious metals or certificates representative thereof provided that transactions in foreign currencies, financial instruments, indices, or Transferable Securities as

well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.

- (ii) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (iii) No Sub-Fund may issue warrants or other rights to subscribe for its Investor Shares or Manager Shares.
- (iv) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction will not prevent each Sub-Fund from investing in non-fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under (v), (vii) and (viii) under “*Specific Investment Restrictions*”.
- (v) The Fund may not enter into short sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under (v), (vii) and (viii) under “*Specific Investment Restrictions*”.

***Notwithstanding anything to the contrary herein contained:***

- (i) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to Transferable Securities and Money Market Instruments in such Sub-Fund’s portfolio.
- (ii) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.

The Fund has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Investor Shares are

offered or sold.

***Investments from one Sub-Fund into another Sub-Fund:***

A Sub-Fund may subscribe, acquire and/or hold units to be issued or issued by one or more Sub-Funds of the Fund under the conditions that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
- no more than 10% of the assets of the target Sub-Funds whose acquisition is contemplated, may be invested in aggregate in units of other UCIs; and
- voting rights, if any, attaching to the instruments in the target Sub-Fund are suspended for as long as they are held by the Sub-Fund concerned, but without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as interests in one Sub-Fund are held by another, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

**Global Risk Exposure and Risk Management**

In accordance with the 2010 Law and other applicable regulations, in particular CSSF Circular 11/512 dated May 30, 2011 and CSSF Circular 18/698, the Fund uses a risk management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operation risks, which are material for the Fund.

Article 42(3) of Part I of the 2010 Law provides that a UCITS must ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The Fund utilizes the commitment approach to determining its global exposure to derivative financial instruments. On the basis of this approach, each Sub-Fund’s positions in derivative financial instruments are converted into equivalent



positions in the underlying assets. Since the only derivative financial instruments currently used by the Sub-Funds are forward foreign exchange contracts to hedge currency exposure, for purposes of determination of global exposure pursuant to the commitment approach, the relevant Sub-Fund is deemed to own the foreign currency for which it contracted on a forward basis. Since such forward foreign exchange contracts are used only for hedging the exposure of the equity portfolios of the Sub-Funds in respect of equity investments denominated other than in the base currency of the Sub-Funds (which does not include all their assets), the global exposure of a Sub-Fund will at no time exceed the total net value of the relevant Sub-Fund.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in “*Investment Restrictions*” and “*Special Investment And Hedging Techniques And Instruments*” in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in “*Investment Restrictions.*”

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits laid down in (i) to (v), (viii), (ix), (xiii) and (xiv) under “*Risk Diversification Rules.*”

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this Section.

### **SPECIAL INVESTMENT AND HEDGING TECHNIQUES AND INSTRUMENTS**

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The Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments provided that such techniques and instruments are used for the purposes of efficient portfolio management within the meaning of, and under the conditions set out in, applicable laws, regulations and circulars issued by the CSSF from time to time. In

particular, those techniques and instruments should not result in a change of the declared investment objective of the Sub-Fund or add substantial supplementary risks in comparison to the stated risk profile of the Sub-Fund.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives must be combined when calculating counterparty risk limits referred to under the above section A. “*Specific Investment Restrictions*”.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund. In particular, fees and cost may be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation for their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. To the extent appropriate, information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or Investment Manager – will be available in the annual report of the Fund.

#### **A. Securities Lending and Borrowing**

The Sub-Funds may enter into securities lending and borrowing transactions provided that they comply with the following rules:

- (i) A Sub-Fund may only lend or borrow securities through a standardised system organised by a recognised clearing institution, through a lending program organized by a financial institution or through a first class financial institution specializing in this type of transaction subject to prudential supervision rules which are considered by the Regulatory Authority as equivalent as those provided by EU law.
- (ii) The net exposures (i.e. the exposures of the Fund

less the collateral received by the Fund) to a counterparty arising from securities lending transactions will be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law.

(iii) The securities borrowed by a Sub-Fund may not be disposed of during the time they are held by the Sub-Fund, unless they are covered by sufficient financial instruments which enable the Sub-Fund to reconstitute the borrowed securities at the close of the transaction.

(iv) A Sub-Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depositary fails to make delivery; and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises the right to repurchase these securities, to the extent such securities have been previously sold by the Sub-Fund.

(v) The Sub-Funds may only enter into securities lending transactions provided that they are entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

## **B. Repurchase Agreement Transactions**

A Sub-Fund may enter into repurchase agreements that consist of forward transactions at the maturity of which the Sub-Fund (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Sub-Fund may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the asset sold and the Sub-Fund (buyer) the obligation to return the assets purchased under the transactions. A Sub-Fund

may also enter into transactions that consist of the purchase/sale of securities with a clause reserving for the counterparty/Sub-Fund the right to repurchase the securities from the Sub-Fund/counterparty at a price and term specified by the two parties in their contractual arrangement.

A Sub-Fund can act either as purchaser or seller in (reverse) repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

(i) The Sub-Fund may not buy or sell securities using a (reverse) repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution specializing in this type of transaction subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those provided by EU law.

(ii) The Sub-Fund may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund.

During the life of a (reverse) repurchase agreement contract, the Sub-Fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent the Sub-Fund has other means of coverage.

(iii) As the Sub-Fund is exposed to redemptions of its own Investor Shares and Manager Shares, it must take care to ensure that the level of its exposure to (reverse) repurchase agreement transactions is such

that it is able, at all times, to meet its redemption obligations.

- (iv) The following securities may be subject of such transaction: (i) short-term bank certificates or Money Market Instruments such as defined by Directive 2007/16/EC of March 19, 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions, (ii) bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings of a community, regional or worldwide nature, (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent, (iv) bonds issued by non-governmental issuers offering an adequate liquidity, or (v) shares quoted or negotiated on a Regulated Market of an EU Member State or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

These securities must be in accordance with the Sub-Fund's investment policy and must together with the other securities in the Sub-Fund's portfolio comply with the Sub-Fund's investment restrictions.

- (v) The net exposures (i.e. the exposures of the Fund less the collateral received by the Fund) to a counterparty arising from reverse repurchase/repurchase agreement transactions will be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law.

### **C. Risks Involved with Investment Techniques and Instruments, Securities Lending Repurchase and Reverse Repurchase Agreements**

#### **Investment Techniques and Instruments**

A Sub-Fund's use of the investment techniques and instruments set forth above, including selling call

options and purchasing put options on Transferable Securities, engaging in certain futures, options and swaps relating to financial instruments, entering into currency forward or futures contracts, and selling call options and purchasing put options on currencies, involve certain risks of varying types and degree, depending upon the characteristics of the particular technique and instrument and the Sub-Fund's portfolio as a whole. Because the amounts paid or received by the Sub-Fund for such techniques and instruments can be small in relation to the market value of the underlying investments, the Net Asset Value per Share of the Sub-Fund may be subject to more frequent and wider fluctuations than would be the case if such investment techniques and instruments were not utilized.

When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the particular investment technique or instrument and the underlying investment sought to be hedged may prevent the Sub-Fund from achieving the intended hedging effect or expose the Sub-Fund to the risk of loss.

Futures contracts and options on futures contracts generally are dealt in on regulated exchanges that require and/or provide various forms of credit support for such transactions. As a result, there is relatively little counterparty credit risk associated with such exchange-traded contracts. OTC forward and option contracts, on the other hand, are privately negotiated transactions that will only be entered into with a reputable financial institution specializing in such transactions. However, such IOTC contracts entail the risk that the counterparty may default. In addition, OTC contracts may be less liquid than exchange-traded contracts.

Options trading involves certain additional risks. Specific market movements of the options and the instruments underlying an option cannot be predicted. Accordingly, the purchaser of an option is subject to the risk of losing the entire purchase price of the option, while the seller of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the investment

underlying the option that the seller must purchase or deliver upon the exercise of the option. In addition, no assurance may be given that a liquid offset market will exist for any particular option or at any particular time. If no liquid offset market exists, the Sub-Fund may not be able to effect an offsetting transaction in a particular option, thus resulting in a risk of loss.

### **Securities Lending, Repurchase and Reverse Repurchase Agreements**

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the Sub-Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Sub-Fund.

A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and

legal risks related to the documentation used in respect of such transactions.

A Sub-Fund may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as the Investment Manager. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the Sub-Fund and its investors. However, investors should be aware that Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

### **D. Currency Hedging**

Subject to the investment restrictions noted above, in order to protect its present and future assets and liabilities against the fluctuation of currencies, a Sub-Fund may enter into transactions the object of which is the purchase or the sale of forward foreign exchange contracts, the purchase of call or the sale of put options in respect of currencies, the purchase or the sale of currencies forward, or the exchange of currencies on a mutual-agreement basis, provided that these transactions be made either on exchanges or over the counter with first-class financial institutions specializing in these types of transactions and being participants of the OTC markets.

A Sub-Fund may deal in forward currency contracts and other currency transactions, such as futures, options, options on futures and swaps, in accordance with the investment restrictions set forth above and will generally be limited to hedging involving either specific transactions or portfolio positions. Transaction hedging is entering into a currency transaction with respect to specific assets or liabilities of the Sub-Fund, which will generally arise in connection with the purchase or sale of its portfolio securities or the receipt of income therefrom. Position hedging is entering into a currency

transaction with respect to portfolio security positions denominated or generally quoted in that currency.

A Sub-Fund may also cross-hedge currencies by entering into transactions to purchase or sell one or more currencies that are expected to decline in value relative to other currencies to which the Sub-Fund has or in which the Sub-Fund expects to have portfolio exposure, provided there exists a link between the respective currencies.

To reduce the effect of currency fluctuations on the value of existing or anticipated holdings of portfolio securities, a Sub-Fund may also engage in proxy hedging, subject to the investment restrictions set forth above. Proxy hedging may be used, for example, when the currency to which a Sub-Fund's portfolio is exposed is difficult to hedge or to hedge against its Base Currency. Proxy hedging entails entering into a forward contract to sell a currency whose changes in value are generally considered to be linked to a currency or currencies in which some or all of a Sub-Fund's portfolio securities are or are expected to be denominated, and to buy its Base Currency. The amount of the contract, at the time of purchase, would not exceed the value of the Sub-Fund's securities denominated in linked currencies. For example, if the Investment Manager considers the Danish Krone to be linked to the Euro, and a Sub-Fund holds securities denominated in Danish Krone, the Investment Manager may enter into a contract to sell Euro and buy the Base Currency.

#### **E. Collateral and Reinvestment of Collateral**

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, the relevant Sub-Fund may receive collateral with a view to reducing its counterparty risk. This section sets out the collateral policy applied by the Sub-Fund in such case.

##### **Use of Collateral**

Collateral received by the Sub-Fund may be used to reduce its counterparty risk exposure if it complies with

the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability.

In particular, collateral should comply with the following conditions:

- (i) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (ii) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (iv) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-Fund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation to this subparagraph (iv), the Sub-Fund may be fully collateralized in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or one or more of its local authorities, a third country or a public international body to which one or more Member States belong. Such a Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value;
- (v) It should be capable of being fully enforced by the Sub-Fund at any time without reference to or approval from the counterparty.

Subject to the above-mentioned conditions, collateral received by the Sub-Fund may consist of:

- (i) liquid assets such as cash (*i.e.*, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) and cash equivalents (*i.e.*, bank deposits, Money Market Instruments or money market funds);
- (ii) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (iii) shares or units issued by money market UCIs calculating a daily NAV and being assigned a rating of AAA or its equivalent;
- (iv) shares or units by UCITS investing mainly in bonds/shares mentioned in (v) and (vi) below;
- (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; and
- (vi) shares admitted to or dealt in on a regulated market of an EU Member State or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

A reinvestment of cash provided as collateral may only be effected in compliance with the respective circulars of the CSSF.

### **Level of Collateral**

Each Sub-Fund will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

### **OTC financial derivative transactions**

To the extent required by law or contractual agreement, the Fund will generally require the counterparty to an OTC derivative to post collateral in favor of the relevant Sub-Fund, and counterparties will generally require the relevant Sub-Fund to post collateral in favor of the relevant counterparty.

The Fund may enter into OTC derivatives. EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund.

### **Haircut policy**

The Fund does not currently enter into transactions where it would be required to hold collateral. If the Fund enters into such transactions in the future, the Board of Directors will create policies relating to haircuts and disclose them at the time such transactions are entered into. Under such policies, collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund for each asset class based on its haircut policy. The haircut policies will take into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing and the maturity, currency and price volatility of the assets.

### **Reinvestment of Collateral**

Non-cash collateral received by the Fund on behalf of a



Sub-Fund cannot be sold, reinvested or pledged, except where and to the extent permissible under Luxembourg law and regulations.

Any cash collateral received by the Sub-Funds can only be:

- (i) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (ii) invested in high-quality government bonds;
- (iii) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the relevant Sub-Fund is able to recall at any time the full amount of cash on accrued basis; and/or
- (iv) invested in short-term money market funds as defined in the ESMA Guidelines on a common definition of European Money Market Funds.

Any reinvestment of cash collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure, on an aggregate basis, of 20% of the Sub-Fund's Net Asset Value to any single issuer. The Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

## **F. Financial Derivative Instruments**

Please refer to each strategy and investment policy applicable to the various Sub-Funds as described in the section "*Introduction*" of this Prospectus.

### **Information on the Counterparty(ies) of the Transactions**

OTC financial derivative instruments (including total return swaps and other derivatives with similar characteristics) used by a Sub-Fund to gain exposure to underlying assets will be entered into with counterparties selected among first class financial institutions specialised in the relevant type of transaction, subject to prudential supervision and belonging to the categories of counterparties approved by the CSSF.

### **Counterparty Risk**

The Sub-Fund is subject to the risk of the insolvency of its counterparties.

In accordance with its investment objective and policies, a Sub-Fund may trade OTC financial derivative instruments such as non-exchange-traded futures and options, forwards, swaps (including total return swaps) or contracts for difference. Where a Sub-Fund enters into OTC derivative transactions it is exposed to increased credit and counterparty risk, which the Investment Manager may seek to mitigate by collateral arrangements. Entering into transactions on the OTC markets will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of the contracts. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investments during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investments during such period, and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality

or change in the tax or accounting laws relative to those at the time the agreement was originated.

### **Securities Financing Transactions**

At this time, none of the Sub-Funds will enter into (i) repurchase or reverse repurchase agreements, (ii) securities or commodities lending and securities and commodities borrowings, (iii) buy-sell back transactions or sell-buy back transactions, (iv) margin lending transactions, or (v) total return swaps.

Should the Sub-Funds decide to use any of these techniques, this Prospectus shall be updated in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

### **TAX CONSIDERATIONS**

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The following statements as to tax considerations are based on the laws and regulations of the jurisdictions mentioned herein in effect as of the date of this Prospectus and assume that the Sub-Funds will invest primarily in global equity securities. The following discussion also assumes that Investor Shares will be held by individuals who are neither citizens nor residents for tax purposes of the United States of America.

The following summary of the anticipated tax treatments, which applies only to persons holding shares as an investment, does not constitute legal or tax advice.

**Prospective investors should consult their own professional advisors on the implications of making an investment in, holding or disposing of Investor Shares under the laws of the countries in which they are liable to taxation.**

#### **Luxembourg**

The statements on taxation below are intended to be a

general summary of certain Luxembourg tax consequences that may result to a Sub-Fund and its Shareholders. The statements relate to Shareholders holding Investor Shares as an investment (as opposed to an acquisition by a dealer) and are based on the Luxembourg law and practice in force at the date of this document. The following does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell Investor Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not allow any conclusion to be drawn with respect to issues not specifically addressed.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Sub-Fund is made will endure indefinitely. Prospective purchasers of the Investor Shares should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing of the Investor Shares, including the tax consequences under state, local, foreign and other tax laws to which they may be subject and as to their tax position and the possible effects of changes in such tax laws.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu des personnes physiques*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*), as well as other duties, levies and taxes. Corporate income tax, municipal business tax, the solidarity surcharge and net wealth tax invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual



taxpayers are generally subject to personal income tax and a solidarity surcharge. Under certain circumstances, where individual taxpayers act in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

### **The Fund**

Under current Luxembourg law and practice, the Fund is not liable for any Luxembourg corporate income tax or net wealth tax, nor are the dividends paid by the Fund subject to any Luxembourg withholding tax.

The Sub-Funds are however subject to the Luxembourg subscription tax (*taxe d'abonnement*). Each Sub-Fund is liable in Luxembourg to a subscription tax of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of such Sub-Fund at the end of the relevant quarter.

This rate is however of 0.01% per annum for:

- (i) Undertakings whose sole object is the collective investment in Money Market Instruments and in deposits with credit institutions;
- (ii) undertakings whose sole object of which is the collective investment in deposits with credit institutions; and
- (iii) individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such classes are reserved to one or more institutional investors.

Are further exempt from the subscription tax:

- (i) the value of the assets represented by shares or units held in other UCIs to the extent such shares or units have already been subject to the subscription tax provided for by Article 46 of the law of July 23, 2016 on reserved alternative investment funds, Article 174 of the 2010 Law or Article 68 of the amended law of February 13, 2007 on specialised

investment funds;

- (ii) UCIs (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in Money Market Instruments and the placing of deposits with credit institution, and (iii) whose weighted residual portfolio maturity does not exceed 90 days and (iv) that have obtained the highest possible rating from a recognised rating agency. Where several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors;
- (iii) UCIs whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles, set up on one or more employers' initiative for the benefit of their employees and (ii) companies of one or several employers investing funds they hold, to provide retirement benefits to their employees;
- (iv) UCIs whose main purpose is to invest in microfinance institutions;
- (v) UCIs (i) whose securities are listed or traded on at least one stock exchange or another regulated market, operating regularly, recognised and open to the public, and (ii) whose sole object is to replicate the performance of one or more indices. If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition sub-point (i).

The application of the subscription tax at a standard or reduced rate as well as the above-mentioned exemptions apply *mutatis mutandis* to individual compartments of UCIs with multiple compartments.

No stamp duty or other tax is generally payable in Luxembourg on the issue of Investor Shares for cash by the Fund. Any amendments to the Articles are as a rule subject to a fixed registration duty of €75.

No tax is payable by the Fund in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund.

Shareholders must be aware and recognise that the possibility that the Fund's realized capital gains, whether short-term or long-term, may be taxable in another country.

The regular income of the Fund from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered. As the Fund itself is exempt from income tax, withholding and other taxes levied at source, if any, are not recoverable in Luxembourg. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

### **Value Added Tax**

The Fund is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfill its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent that such payments are linked to their subscription for Investor Shares and do not constitute the consideration received for any taxable services supplied.

### **Withholding Tax**

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or

payment made by the Fund to its Shareholders under the Investor Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

### **The Shareholders**

#### ***Luxembourg Tax Residency***

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Investor Shares or the execution, performance or enforcement of his/her rights thereunder.

#### ***Income Tax***

#### ***Luxembourg Residents***

Luxembourg resident Shareholders are not liable to any Luxembourg income tax on reimbursement of the share capital contributed to the Fund.

#### ***• Luxembourg Resident Individuals***

Any dividends and other payments derived from the Investor Shares received by Luxembourg resident individuals, who act in the course of the management of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rate.

Capital gains realised upon the sale, disposal or redemption of Investor Shares by Luxembourg resident individual Shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Investor Shares were acquired and provided the Investor Shares do not represent a "substantial shareholding". A shareholding is considered as a "substantial shareholding" in limited cases, in particular if (i) the Shareholder holds or has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the share capital of the Fund or (ii) the

Shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

- ***Luxembourg Resident Companies***

Luxembourg resident corporate Shareholders (*sociétés de capitaux*) must include any profits derived, as well as any gain realised on, the sale, disposal or redemption of Investor Shares, in their taxable profits for Luxembourg income tax assessment purposes. The same inclusion applies to individual Shareholders acting in the course of the management of a professional or business undertaking, who are Luxembourg residents for tax purposes.

Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Investor Shares sold or redeemed.

- ***Luxembourg Residents Benefiting from a Special Tax Regime***

Luxembourg resident Shareholders which benefit from a special tax regime, such as (i) UCI governed by the amended 2010 Law, (ii) specialised investment funds governed by the amended law of February 13, 2007, (iii) family wealth management companies governed by the amended law of May 11, 2007 and (iv) reserved alternative investment funds treated as a specialised investment fund for Luxembourg tax purposes governed by the law of July 23, 2016, are tax exempt entities in Luxembourg and are thus not subject to any

Luxembourg income tax on profits derived from the Investor Shares.

- ***Luxembourg Non-residents***

Shareholders who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which the Investor Shares are attributable are generally not subject to any income, withholding, inheritance, capital gains or other taxes in Luxembourg.

Corporate Shareholders which are non-residents of Luxembourg but which have a permanent establishment or a permanent representative in Luxembourg to which the Investor Shares are attributable must include any income received, as well as any gain realised on the sale, disposal or redemption of Investor Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which the Investor Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Investor Shares sold or redeemed.

**Investors should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Investor Shares under the laws of their countries of citizenship, residence or domicile.**

### ***Net Wealth Tax***

Luxembourg resident Shareholders, and non-resident Shareholders having a permanent establishment or a permanent representative in Luxembourg to which the Investor Shares are attributable, are subject to Luxembourg net wealth tax on such Investor Shares, unless the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the amended 2010 Law, (iii) a securitisation company governed by

the amended law of March 22, 2004 on securitisation, (iv) a company governed by the amended law of June 15, 2004 on venture capital vehicles, (v) a professional pension institution governed by the amended law dated July 13, 2005, (vi) a specialised investment fund governed by the amended law of February 13, 2007, (vii) a family wealth management company governed by the amended law of May 11, 2007 or (viii) a reserved alternative investment fund governed by the law of July 23, 2016.

However, (i) a securitization company governed by the amended law of March 22, 2004 on securitization, (ii) a company governed by the amended law of June 15, 2004 on venture capital vehicles (iii) a professional pension institution governed by the amended law dated July 13, 2005 and (iv) an opaque reserved alternative investment fund opting to be treated as a venture capital governed by the law of July 23, 2016 remain subject to the minimum net wealth tax in Luxembourg.

### **Other Taxes**

No inheritance tax is levied on the transfer of shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. On the contrary, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Investor Shares are included in his or her taxable basis for inheritance tax purposes.

Luxembourg gift tax may be levied on a gift or donation of Investor Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

### **Common Reporting Standard**

Capitalized terms used in this section have the meaning as set forth in the CRS Law, unless provided otherwise herein.

Under the terms of the CRS Law, the Fund should be treated as a Luxembourg Reporting Financial Institution. As such, the Fund will be required to

annually report to the Luxembourg tax authorities (the “LTA”) personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain Shareholders qualifying as Reportable Persons and (ii) Controlling Persons of passive non-financial entities (“NFEs”) **which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the “Information”)**, will include personal data related to the Reportable Persons.

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law.

Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the LTA and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation. The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law. The LTA will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the Shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Shareholders further undertake to

immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Investor Shares held by the Shareholders may suffer material losses.

Any Shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such Shareholder's failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA and the Fund may, in its sole discretion, redeem the Investor Shares of such Shareholders.

## **United States of America**

### **General Discussion**

The following is a general discussion of certain of the anticipated U.S. federal tax considerations relevant to persons who are neither citizens nor residents of the United States of America relating to an investment in the shares and the taxation of the Fund. Prospective investors should consult their own tax advisors to determine the application and effect of tax laws with respect to their own particular circumstances.

### ***Estate Tax***

Shareholders who are neither citizens nor residents of the United States of America are not generally subject to any U.S. federal estate tax with respect to shares owned by them, regardless of their value at the time of death, which might not be the case if a direct investment in the securities of U.S. corporations were made by them.

### ***Taxation of the Fund***

The Fund will be classified as a corporation for U.S. federal income tax purposes. Unless otherwise indicated, references in the following discussion to the tax consequences of Fund investments, activities, income, gain and loss include the indirect investments, activities, income, gain and loss attributable to the Fund from its Sub-Funds.

It is intended that the Fund's affairs generally will be conducted such that no income realized by the Fund will be effectively connected with the conduct of a U.S. trade or business, within the meaning of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or otherwise subject to regular U.S. federal income taxation on a net basis. As a result, it is anticipated that gains realized by the Fund will not be subject to U.S. federal income taxation, other than gains, if any, realized on the disposition of U.S. real property interests. It is not anticipated that the Fund will own any such U.S. real property interests. No assurance can be given, however, that the Fund will not realize income that is effectively connected with the conduct of a U.S. trade or business, or otherwise subject to regular U.S. federal income taxation on a net basis, or that the Fund will not own any U.S. real property interests.

If, contrary to its intended method of operation, the Fund is considered to be engaged in a U.S. trade or business, the Fund's share of any income that is "effectively connected with" such U.S. trade or business will be subject to regular U.S. federal income taxation (currently imposed at a maximum rate of 21%) on a net basis and to an additional 30% U.S. "branch profits" tax on certain of its after-tax earnings and profits that are not reinvested in a U.S. business. In addition, it is possible that the Fund could be subject to taxation on a net basis on such income by state or local jurisdictions within the United States of America. Any such taxation could adversely affect the Fund's ability to make payments in respect of the shares.

Because the Fund is organized under the laws of the Grand Duchy of Luxembourg, it will be considered to

be a non-U.S. person for purposes of the U.S. federal income tax laws. As a non-U.S. person, any dividends received by the Fund from U.S. sources, including in respect of preferred shares of U.S. issuers, will be subject to U.S. withholding tax at a 30% rate. U.S. source interest income received by the Fund generally will be exempt from U.S. federal income and withholding tax under the exemption for “portfolio interest” or under another statutory exemption. Interest on corporate obligations will not qualify as “portfolio interest” to a non-U.S. person that owns (directly and under certain ownership attribution rules) 10% or more of the total combined voting power of the corporation paying the interest, or, with respect to certain obligations issued after April 7, 1993, if and to the extent that the interest is determined by reference to certain economic attributes of the debtor (or a person related thereto). In addition, interest on U.S. bank deposits, certificates of deposit and certain obligations with maturities of 183 days or less (from original issuance) will not be subject to U.S. withholding tax. Interest (including original issue discount) derived by the Fund from U.S. sources not qualifying as “portfolio interest” or not otherwise exempt under U.S. law will be subject to U.S. withholding tax at a rate of 30%. The Fund does not expect that any U.S. withholding taxes will be eligible for reduction under the applicable provisions of the United States of America-Luxembourg income tax treaty.

#### ***Additional Withholding and Certain Information Reporting Requirements***

Sections 1471 through 1474 of the Code, known as the U.S. Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such Code sections and any applicable intergovernmental agreement (“IGA”) and related statutes, regulations, rules and other guidance thereunder, “FATCA”) impose a withholding tax of 30% on (i) certain U.S. source interest, dividends and other types of income, and (ii) the gross proceeds from the sale or disposition of certain assets of a type that can produce U.S. source interest and dividends, which are received by a foreign financial institution (“FFI”),

unless such FFI enters into an agreement with the IRS, and/or complies with an applicable IGA, to obtain certain information as to the identity of the direct and indirect owners of accounts in such institution. In addition, a withholding tax may be imposed on payments to certain non-financial foreign entities which do not obtain and provide information as to their direct and indirect owners. These rules will generally apply to payments of U.S. source interest, dividends and certain other types of income from U.S. sources after June 30, 2014, and will apply to payments of gross proceeds from the sale or disposition of assets of a type that can produce U.S. source interest or dividends after December 31, 2018.

The IRS has released temporary and final Treasury regulations and other guidance which will be used in implementing FATCA, which contain a number of phase-in dates for FATCA compliance. In addition, Luxembourg has entered into a Model 1 IGA with the United States of America (the “Luxembourg IGA”) implemented by the FATCA Law.

Both the Fund and the Sub-Funds are likely to be considered FFIs for FATCA purposes. In order to avoid U.S. withholding tax under FATCA on amounts paid to the Fund or the Sub-Funds, as applicable, the Fund and the Sub-Funds each are generally required to register with the IRS and to comply with the Luxembourg IGA and any Luxembourg legislation or guidance implementing the Luxembourg IGA. The Fund and the Sub-Funds have registered with the IRS and, therefore, generally do not expect to become subject to U.S. withholding under FATCA. The Fund and the Sub-Funds also expect to be required to identify and report on certain direct and indirect U.S. owners or investors in order to comply with the FATCA Law. An investor will be required to provide to the Fund or Sub-Funds information which identifies its direct and indirect ownership. In addition, an investor qualifying as passive NFFE (within the meaning of the FATCA Law) undertakes to inform its Controlling Person(s) of the processing of their information by the Fund or a Sub-Fund. Any such information provided to the Fund or a Sub-Fund will ultimately be shared with the LTA and

transferred to the IRS and, potentially, certain other authorities and withholding agents, as applicable.

Further, it is possible that a lower-tier non-U.S. entity in which the Fund or a Sub-Fund invests also may be considered an FFI. The Fund intends to assist lower-tier non-U.S. entities in which the Fund or a Sub-Fund invests in complying with FATCA, but the Fund can give no assurance that it will be able to provide such assistance or that such an entity will be able to avoid the imposition of this withholding tax on it.

By investing (or continuing to invest) in the Fund (and indirectly investing in the Sub-Funds), investors will be deemed to have acknowledged, and to have given their consent to, the following:

- (i) the Fund or the Sub-Funds (or its agent) may be required to disclose to the LTA and withholding agents certain information (which could otherwise be deemed to be confidential) in relation to the investor or its direct or indirect owners, including the investor's name, address, tax identification number (if any), social security number (if any) and certain additional information or documentation relating to the investor's investment or identity, and the investor may be required to provide any such information or documentation;
- (ii) the LTA may be required to automatically exchange information with, among other authorities, the IRS, and to provide additional information to such authorities should they have further inquiries, and the Fund or the Sub-Fund (or their agents) may be required to disclose certain information (including information that could otherwise be deemed to be confidential) when registering with such authorities and in response to a request by any such authority for further information;
- (iii) in the event an investor's failure to comply with any FATCA related reporting requirements gives rise to any withholding tax or penalties, the Fund reserves the right to ensure that any such withholding tax and any related cost, interest, penalties and other losses

or liabilities suffered by the Fund, a Sub-Fund, the Investment Manager, the Management Company, the Luxembourg Central Administrator or any other investor, or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such investor's failure to provide information to the Fund or a Sub-Fund, is economically borne by such investor;

- (iv) in the event an investor does not provide the information and/or documentation necessary for the Fund's (or a Sub-Fund's) satisfaction of its FATCA related reporting requirements, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund (or a Sub-Fund) or its investors being subject to withholding tax under the relevant FATCA regime, the Fund reserves the right to take any action and/or pursue all remedies at its disposal to mitigate the consequences of the investor's failure to comply with the requirements described above, including compulsory redemption or withdrawal of such investor; and
- (v) no investor affected by any such action or remedy shall have any claim against the Fund, a Sub-Fund, the Investment Manager, the Management Company, the Luxembourg Central Administrator (or their agents, delegates, employees, directors, officers or affiliates) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with FATCA.

Investors should consult their tax advisors as to the withholding, filing and information reporting requirements that may be imposed on them in respect of their ownership of Interests of the Fund.

#### **Other**

Investors should be aware that the dividend and interest income of the Sub-Funds and in certain cases capital gains may be subject to withholding taxes at source and that it is anticipated that the benefits of many double-tax treaties will not be available to reduce the levels of those

withholding taxes. Where the benefits of double-tax treaties are not available, no reclaim of such withholding taxes will be possible.

## **CERTAIN RISK FACTORS**

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In addition to the risk factors discussed above in “*Special Investment And Hedging Techniques And Instruments*” and elsewhere in this Prospectus, investors should note the following:

### ***General***

Potential investors should clearly understand the risks involved in an investment in the Fund. Investment in the Investor Shares is speculative, involves a high degree of risk, and is suitable only for persons who are able to assume such risks. Due to the nature of trading strategies employed and instruments selected, investors should understand that earnings of the Sub-Funds may be subject to a high degree of volatility.

Although the Management Company and other service providers to the Fund will engage in monitoring and risk management activities in an attempt to mitigate risk, there can be no assurance that these activities will be successful in limiting losses incurred by any Sub-Fund.

### ***General Economic and Market Conditions***

The success of the Sub-Funds’ activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Sub-Funds’ investments. Unexpected volatility or illiquidity could impair the Sub-Funds’ profitability or result in losses. Wars or significant terrorist activity could be expected to have a detrimental effect on the financial markets generally, and could affect the Sub-Funds’ profitability.

### ***Value Investing Risk***

The Investment Manager may be wrong in its

assessment of a company’s value, and the stocks a Sub-Fund owns may not reach what the Investment Manager believes are their true or intrinsic values. The market may not favor value-oriented stocks and may not favor equities at all, which may cause a Sub-Fund’s relative performance to suffer.

There may be periods during which a Sub-Fund is unable to find securities that meet its value investment criteria. If a Sub-Fund is selling investments or experiencing net subscriptions during those periods, the Sub-Fund could have a significant cash position, which could adversely impact the Sub-Fund’s performance under certain market conditions and could make it more difficult for the Sub-Fund to achieve its investment objective.

### ***Equity Security Risk***

The Sub-Funds invest in equity securities, primarily consisting of common stocks. Common stock represents a proportionate interest in the earnings and value of the issuing company. Therefore, the Sub-Funds participate in the success or failure of any company in which they own stock. The market value of common stocks fluctuates significantly, reflecting the past and anticipated business performance of the issuing company, investor perception and general economic or financial market movements.

### ***Small and Medium Capitalization Stocks***

A Sub-Fund may invest up to a substantial portion of its assets in the stocks of companies with small- to medium-sized market capitalizations. While the Investment Manager believes they often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do the stocks of larger companies. Small- and mid-cap companies may be less well established and may have a more highly leveraged capital structure, less liquidity, a smaller investor base, limited product lines, greater dependence on a few customers or a few key personnel and similar factors that can make their business and stock market



performance susceptible to greater fluctuation and volatility. In addition the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, blue-chip companies. Due to thin trading in some small-capitalization stocks, positions held in securities of such companies could be less liquid than those held in large-cap companies.

### ***Investments in Foreign Securities***

The Sub-Funds invest in foreign securities. Investing in foreign securities involves certain risks, including the following, which are more pronounced in emerging markets (see “*Investments in Emerging Markets*” below):

- changes in currency exchange rates, which can lower performance in terms of the Base Currency of a Sub-Fund
- exchange rate controls (which may include an inability to transfer currency from a given country)
- costs incurred in conversions between currencies
- non-negotiable broker commissions
- less publicly-available information
- not generally being subject to uniform standards, practices and requirements with respect to accounting, auditing and financial reporting
- greater market volatility
- less trading volume
- delayed settlements
- difficulty in enforcing obligations in foreign countries
- less securities regulation
- unrecoverable withholding and transfer taxes
- war
- seizure
- political and social instability

The value of the foreign securities held by a Sub-Fund may be affected by changes in currency exchange rates or control regulations. The Net Asset Value of the Investor Shares of a Sub-Fund will tend to reflect the movements of the different securities markets in which

it is invested, and, to the degree not hedged, the foreign currencies in which its investments are denominated. The Investment Manager does not attempt to predict the movements of various currencies in reaching a decision about the appropriateness or prudence of an individual investment.

### ***Investments in Emerging Markets***

Shareholders should be aware that some emerging markets in which the Sub-Funds may invest are subject to periods of growth, instability and change. In emerging markets there is a risk of political or economic changes which could unfavorably influence the value of a Sub-Fund’s investment. In these regions, the risk that the main objective of a Sub-Fund’s investment, i.e., appreciation of capital, will not be achieved is even more substantial.

In addition, many emerging markets have different clearance and settlement procedures from developed countries. For many emerging markets’ instruments, there is no central clearing mechanism of settling rates and no central depository or custodian for the safekeeping of securities. The activity of depository banks is not as developed in countries in emerging markets which could lead to difficulties in the liquidation and registration of transactions. The registration, recordkeeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty and other risk. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardized settlement procedures, settlement risk is more prominent than in more mature markets. The stock exchanges of countries in emerging markets are smaller and more volatile than the stock markets of more developed countries as well. A small number of issuers account for a large share of market capitalisation and quotation value of these exchanges. In the past, some of

these exchanges have experienced substantial volatility of prices or were closed unexpectedly and for long periods of time. There is no guarantee that such events will not be repeated.

### ***Dividend-Payment Risk***

Dividends are not guaranteed but are paid periodically at the discretion of the issuer's board of directors. Companies that have historically paid dividends are not required to continue to pay dividends, and could reduce or eliminate the payment of dividends in the future. Similarly, companies that have historically bought back shares or paid down debt may not continue to do so, or may do so to a lesser extent, resulting in a lower shareholder yield.

### ***Illiquid Securities***

Disposition of illiquid securities often takes more time than disposition of more liquid securities, may result in higher selling expenses and may not be able to be made at desirable prices or at the prices at which such securities have been valued by the Fund.

### ***Distressed Securities***

A Sub-Fund may from time to time invest on an ancillary basis in equity or debt securities of financially troubled issuers and/or operationally troubled issuers, including issuers in bankruptcy or issuers who may go into bankruptcy. Investment in the securities of financially troubled issuers and operationally troubled issuers involves a high degree of credit and market risk. Although in the view of the Investment Manager, these issuers have the potential over the long-term for capital growth, there can be no assurance that these issuers can be successfully transformed into profitable operating companies. There is a possibility that a Sub-Fund may incur substantial or total losses of that portion of its investments that are invested in distressed securities. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain

information about financially troubled issuers and operationally troubled issuers. Investment in the securities of financially troubled issuers and operationally troubled issuers is a long-term investment strategy and, accordingly, investors in the Fund should have the financial ability and willingness to remain invested for the long-term. Securities of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected for more liquid or less volatile securities. As a result, a Sub-Fund may experience delays and incur losses and other costs in connection with the sale of its distressed securities.

### ***Borrowings***

The use of leverage or borrowings by a Sub-Fund, which can have the effect of exposure to changes in price at a ratio greater than 1:1 in reference to the amount invested, magnifies both the favorable and unfavorable effects of price movements in the investments made by the Sub-Fund. Although the Sub-Funds will not employ leverage in their principal investment strategies, they may make borrowings in connection with foreign currency operations to fund withdrawals and for other similar purposes. Accordingly, the relevant Sub-Fund and its investors will be subject to increased risk of loss by reason of such borrowings. If income and appreciation on foreign currency hedging investments made with borrowed funds are less than the cost of the leverage, the Sub-Fund's Net Asset Value will decrease.

Further, to the extent an investor has utilized leverage with respect to its investment in the Fund, such investor would be subject to further risk if the relevant Sub-Fund's Net Asset Value or income levels move adversely.

### ***Loans of Securities***

A Sub-Fund may engage in securities lending activities. If equity securities have been loaned by a Sub-Fund on the record date of a dividend on the securities loaned, the borrower will receive the dividend and will pay a fee to the Sub-Fund for the use of the borrowed securities. It is possible that tax authorities in the jurisdictions of the issuers of the securities may seek to impose withholding taxes on all or a portion of such fees to the Sub-Fund. In addition, in the case of investors in the Fund who reside in certain jurisdictions, such fees may constitute income to such investors that is taxed at a higher rate than the dividend income would have been taxed had the relevant Sub-Fund not loaned the securities and received the dividend. Investors should consult their local tax advisors and any special forms of this Prospectus for distribution in their jurisdictions. In addition, although the borrower of securities loaned by the Sub-Fund will be obligated to post collateral having a value in excess of the market value of the securities loaned, the combination of a default by the borrower to post additional collateral and a rapid increase in the market value of the securities could result in the collateral being insufficient to cover the loss to the Sub-Fund in the event of a default of the borrower to return the securities. The Sub-Fund will not be able to vote securities it has loaned in respect of any matters for which the record date for determining Shareholders entitled to vote on the matters falls within the period of time that the securities are on loan. In the event of the bankruptcy of the other party to a securities loan, the Sub-Fund could experience delays in recovering the loaned securities. To the extent that the value of the securities the Sub-Fund has lent has increased, the Sub-Fund could experience a loss if such securities are not recovered.

### ***Risks Related to the Euro***

Two of the Sub-Funds are denominated in the Euro and several of the Sub-Funds hold Euro-denominated securities. Countries within the Eurozone have, from time to time, undergone a sovereign debt crisis; this may result in a collective debt crisis within the entire

Eurozone. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the removal of one or more member states from the Eurozone, or even the abolition of the Euro.

### ***Reliance upon the Investment Manager***

The success of a Sub-Fund depends on the ability of the Investment Manager to develop and implement investment strategies to achieve the Sub-Fund's investment objectives. The Sub-Fund's investment performance could be materially adversely affected if the Investment Manager fails to properly develop and/or implement such strategies, or if such strategies fail to produce the desired results.

### ***Central Securities Depositories***

In accordance with the UCITS Directive, entrusting the custody of the Fund's assets to the operator of a securities settlement system ("SSS") is not considered a delegation by the Depositary and the Depositary is exempted from the strict liability of restitution of assets. A central securities depository ("CSD"), being a legal person that operates an SSS and provides in addition other core services, will not be considered as a delegate of the Depositary irrespective of the fact that the custody of the Fund's assets have been entrusted to it. There is however some uncertainty around the meaning to be given to such exemption, the scope of which may be interpreted narrowly by some supervisory authorities, notably the European supervisory authorities.

### ***Custodial and Depositary Related Risks***

The Investment Manager may decide from time to time to invest in a country where the Depositary has no correspondent. In such a case, the Depositary will have to identify and appoint after due diligence a local custodian. This process may take time and in the meantime deprive the Investment Manager of investment opportunities.

In the same manner, the Depositary will assess on an ongoing basis the custody risk of the country where the

Fund's assets are safe-kept. The Depositary may identify from time to time a custody risk in a jurisdiction and recommend to the Investment Manager to sell the investments immediately. In doing so, the price at which such assets will be sold may be lower than the price the Fund would have received in normal circumstances, potentially affecting the performance of the relevant Sub-Funds.

As a continuing security for the payment of its duties under the Depositary Agreement (such as the fees to be paid to the Depositary for its services or also overdraft facilities offered by the Depositary), the Depositary will have a first priority pledge granted by the Fund over the assets the Depositary or any third party may from time to time hold directly for the account of the Fund, in any currency.

In certain circumstances, the third party to whom the Depositary has delegated safekeeping duties might use nominee companies which are wholly-owned subsidiaries of such third party and created for the sole purpose of doing acts which are strictly necessary to maintain the holding of the Fund's assets on behalf of the Depositary. Those nominee companies might not meet the conditions laid down by the UCITS Directive relating to third parties to whom the safekeeping can be delegated by the Depositary, notably they might not be subject to prudential supervision.

Under the UCITS Directive, cash is to be considered as a third category of assets in addition to financial instruments that can be held in custody and other assets. The UCITS Directive imposes specific cash flow monitoring obligations. Depending on their maturity, term deposits could be considered as an investment and consequently would be considered as other assets and not as cash.

### ***Cybersecurity Risks***

The Management Company's, the Investment Manager's and the Luxembourg Central Administrator's information and technology systems may be vulnerable to damage or interruption from

computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The Management Company, the Investment Manager and the Luxembourg Central Administrator have implemented various measures to manage risks relating to these types of events. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Management Company's, the Investment Manager's and/or the Fund's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could subject the Management Company, the Investment Manager and/or the Fund to legal claims and otherwise affect their business and financial performance.

### ***Conflicts of Interest***

Conflicts of interest exist in the structure and operation of the Fund's business. The Management Company and the Investment Manager may from time to time act as management company, investment manager or adviser, or distribution/sales agent, in relation to, or be otherwise involved in, other investment funds. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Fund or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Fund or any Sub-Fund and each will respectively endeavor to ensure that such conflicts are resolved fairly. The fees that the Investment Manager is entitled to receive as investment manager have not been set by arm's-length negotiations and may be higher than the fees that another investment adviser may have charged. The Investment Manager believes such fees are justified in light of the Fund's structure, investment program and investor base.

The Investment Manager has other investment advisory

clients and has adopted written allocation procedures to allocate investment and disposition opportunities among its clients. The procedures seek to ensure that, when purchasing or selling securities for client accounts, the Investment Manager achieves for all accounts approximately the same level of aggregate investment over time in a diversified pool of securities (but not necessarily the same securities) in a manner that is fair and equitable to all clients. Although employees of the Investment Manager will devote as much time to each Sub-Fund as they believe is necessary to the Sub-Fund's investment program, they will not devote all of their time to the Fund or to any Sub-Fund. Although it is not a normal practice for the Investment Manager, it may cause a Sub-Fund to purchase securities from or sell securities to such other clients when the Investment Manager believes such transactions are appropriate. Additionally, although not part of its normal procedures, the Investment Manager may conduct agency cross trades with a Sub-Fund in accordance with applicable regulatory requirements.

The Investment Manager, its Managing Directors and their affiliates may trade in securities and other instruments suitable for a Sub-Fund only if such transactions are consistent with applicable law and the Investment Manager's securities transactions policy.

### ***Anti-Money Laundering***

If the Fund, the Management Company, the Global Distributor, the Luxembourg Central Administrator or any governmental agency believes that the Fund has accepted subscriptions for Investor Shares by, or is otherwise holding assets of, any person or entity that is acting, directly or indirectly, in violation of any Luxembourg, U.S., international or other anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organization, the Fund or such governmental agency may freeze the assets of such person or entity invested in the Fund or suspend their withdrawal rights. The Fund may also be required to remit or transfer those assets to a governmental agency.

### ***Possible Adverse Effects of Substantial Redemptions***

Although the Fund has the discretion to limit redemptions of more than 10% of each Class of Investor Shares on any Valuation Date, in the event that there are substantial redemptions of Investor Shares and Manager Shares within a limited period of time, the Investment Manager may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amount of assets under management. Under such circumstances, in order to provide funds to pay redemptions, the Investment Manager might be required to liquidate positions at an inappropriate time or on unfavorable terms, resulting in a lower Net Asset Value per Share. On an ongoing basis, irrespective of the period over which substantial redemptions occur, it may be more difficult for the Fund to generate additional profits operating on a smaller asset base and, as a result of liquidating assets to fund redemptions, a Sub-Fund may be left with a less liquid portfolio.

### ***Large Shareholder Transactions***

A Sub-Fund may experience adverse effects when certain large Shareholders purchase or redeem large amounts of shares of the Sub-Fund. Large Shareholder redemptions may cause a Sub-Fund to sell portfolio securities at a time when it would not otherwise do so, which may negatively impact the Sub-Fund's Net Asset Value and liquidity. Similarly, large Sub-Fund share purchases may adversely affect the Sub-Fund's performance to the extent that the Sub-Fund is delayed in investing new cash and is required to maintain a larger cash position than it ordinarily would. These transactions may also accelerate the realization of taxable income to Shareholders if sales of investments to meet redemption requests resulted in gains, and may increase transaction costs. In addition, a large redemption could result in a Sub-Fund's current expenses being allocated over a smaller asset base, leading to an increase in the Sub-Fund's total expense ratio.

### ***Potential Compulsory Redemption***

The Fund may, at the discretion of its Board of Directors, compulsorily redeem all or a portion of an investor's Investor Shares as described under "*General Information – Compulsory Redemption.*" Such compulsory redemption could result in adverse tax and/or economic consequences to the investors.

### ***FATCA / CRS – Shareholders obligation to report information***

Under the terms of the FATCA Law and CRS Law, the Fund should be treated as a Luxembourg Reporting Financial Institution. As such, the Fund may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Fund become subject to a withholding tax and/or penalties as a result of a non-compliance under the FATCA Law and/or penalties as a result of a non-compliance under the CRS Law, the value of the Investor Shares held by all Shareholders may be materially affected.

Furthermore, the Fund may also be required to withhold tax on certain payments to its Shareholders who would not be compliant with FATCA (i.e. the so-called foreign pass-through payments withholding tax obligation).

### ***Investments through Stock Connect***

#### ***Options on futures***

Stock Connect is currently subject to both daily and aggregate trading caps which if exceeded will lead to suspension of trading for that day or other relevant period which may mean that an order to purchase China A-Shares cannot be processed. Under the Stock Connect rules the Fund will always be able to sell China A-Shares regardless of whether the daily or aggregate quota has been exceeded. The daily or aggregate quotas can be changed from time to time without prior notice.

### ***Not covered by Investor Compensation Fund***

Transactions in Stock Connect will not be covered by the Investor Compensation Scheme in Hong Kong nor the equivalent scheme in the PRC.

#### ***Restrictions on trading days***

Stock Connect will only operate when banks in Hong Kong and China are both open.

#### ***Restrictions on intraday trading***

It is not possible to buy and sell shares on the same day on Stock Connect.

#### ***Restrictions on extent of foreign holding of China A-Shares***

There are restrictions on the amount of China A-Shares which a single foreign investor is permitted to hold and restrictions on the combined holdings of all foreign investors in a single company's China A-Shares. Where those limits are reached, no further purchase of those shares will be permitted until the holding is reduced below the threshold and if the thresholds are exceeded, the relevant issuer of the China A-Shares may sell those shares to ensure compliance with Chinese law which may mean that the relevant China A-Shares are sold at a loss.

#### ***Segregation***

The China A-Shares are held by third party securities settlement systems in Hong Kong (the "HKSCC") and the PRC (the "ChinaClear") where they are mixed with other investors' assets and may be subject to lower safekeeping, segregation and record keeping requirements than investments held domestically or in the EU.

#### ***Risk that beneficial ownership not recognised***

China A-Shares traded through Stock Connect are uncertificated and are held in the name of HKSCC or its nominee. PRC law may not recognise the Fund's

beneficial ownership of the China A-Shares and, in the event of a default of ChinaClear, it may not be possible for the Fund's China A-Shares to be recovered.

#### *Risk that unable to enforce legislation*

It is considered unlikely that ChinaClear will become insolvent but, if it does so, HKSCC is likely to seek to recover any outstanding China A-Shares from ChinaClear through available legal channels but it is not obligated to do so. If HKSCC does not enforce claims against ChinaClear the Fund may not be able to recover its China A-Shares.

#### *Currency risk/currency conversion as shares denominated in RMB*

China A-Shares are denominated in Renminbi and as RMB is not the Base Currency of the Fund the Central Clearing and Settlement System (CCASS) may have to convert payments from RMB into another currency when realising China A-Shares and convert from one currency into RMB when purchasing China A-Shares. The exchange rate for RMB may be affected by, amongst other things, any exchange control restrictions imposed by the government in the PRC which may adversely affect the market value of the Fund.

#### *Eligibility of shares for trading on Stock Connect*

Not all China A-Shares are eligible for trading through Stock Connect and if a China A-Share ceases to be eligible, further purchases of such shares will not be permitted, although the Fund will always be able to sell such shares.

#### *Uncertainty of tax position*

The tax treatment of China A-Shares is uncertain and particularly whether capital gains tax applies. There is a risk that capital gains realised may be subject to additional taxation in the future.

#### *Risk of default of HKSCC*

The Fund's ability to invest through Stock Connect is

subject to the performance by Hong Kong Securities Clearing Company of its obligations and any failure or delay by HKSCC may result in the failure of settlement, or loss of China A-Shares.

#### *General Market Risk*

Investing in China A-Shares involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, and social and political instability of the stock market in the PRC.

#### *Novelty of Stock Connect*

Stock Connect is a new and relatively untested scheme whose rules may change at any time in a manner which may adversely impact the Fund.

#### *Sustainability Risk*

Sustainability Risk is principally linked to events resulting from climate change (so-called physical risks) or to society's response to climate change (so-called transition risks), which may result in unanticipated losses that could affect a Sub-Fund's investments and financial condition. Social events (e.g., inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g., recurrent significant breach of international agreements, bribery issues, product quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

## **DIRECTORS**

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The overall responsibility for the management of the Fund is vested in its Board of Directors, who are elected by the Shareholders. The members of the Board of Directors are each indemnified by the Fund against certain liabilities they may incur by reason of serving in such capacity.

The current members of the Board of Directors are:

**Amélie Guittet-Garreau** serves as an independent director of various regulated investment funds and Luxembourg domiciled companies. Ms. Guittet-Garreau has over 20 years of experience with international asset managers, including experience in investment solutions, product structuring, distribution and regulatory developments. She is a member of the Luxembourg CFA Society. Ms. Guittet-Garreau received a Bachelor of Science in International Management (Centre d'Études Supérieures Européennes de Management, France) and a BA (Hons) in European Business Studies (Euopäisches Studium für Betriebswirtschaft, Germany).

**Benoît Paquay** serves as an independent director on the board of various funds and management companies. He is a partner at Adeis and has more than 20 years of experience in the fund investment industry, with various positions linked to asset management, risk management, valuation and corporate governance. Mr. Paquay has an MSc in engineering and an MBA (Université de Liège - Belgium and Caledonian University - Scotland). He is also a Certified Director from both INSEAD (IDP-C) and ILA Luxembourg, a CFA charterholder and a member of the Luxembourg CFA Society.

**Thomas H. Shrager** has been associated with the Investment Manager since 1989 and is a Managing Director. He is a member of the Investment Manager's Investment Committee and Management Committee, as well as President and Director of Tweedy, Browne Fund Inc. Previously, he had worked in mergers and acquisitions at Bear Stearns, and as a consultant for Arthur D. Little. He received a B.A. and a Masters in International Affairs from Columbia University. Mr. Shrager is the Chairman of the Fund's Board of Directors.

**Robert Q. Wyckoff, Jr.** has been associated with the Investment Manager since 1991 and is a Managing Director. He is a member of the Investment Manager's Investment Committee and Management Committee, as well as Director, Chairman of the Board of Directors and Vice President of Tweedy, Browne Fund Inc. Previously, he held positions with Bessemer Trust, C.J.

Lawrence, J&W Seligman, and Stillrock Management. He received a B.A. from Washington & Lee University and a J.D. from the University of Florida, School of Law.

Each of the Directors is entitled to reimbursement of his out-of-pocket expenses in attending meetings of the Board of Directors and, in addition, is entitled to such remuneration as is determined by the general assembly of Shareholders. Directors who are not principals of the Investment Manager currently receive an annual payment of €30,000 net of withholding tax, if applicable, which is paid by the Fund for their services in respect of all Sub-Funds. Directors who are principals of the Investment Manager are not entitled to an annual director's fee.

## **MANAGEMENT COMPANY**

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The Fund is managed by Lemanik Asset Management S.A. (the "Management Company") which is authorised and regulated by the CSSF and subject to the provisions of Chapter 15 of the 2010 Law.

Lemanik Asset Management S.A. was incorporated on September 1, 1993 as a public limited company (*société anonyme*) under Luxembourg law, for an indefinite period.

Its share capital stands at EUR 2,071,700.- as of December 31, 2021.

The Management Company is a third-party Fund Management Company in Luxembourg that has been appointed by the Board of Directors to be in charge of the collective management of the Fund's portfolio. Its main business activity is to provide collective portfolio management services to the Fund and other funds and perform the functions of a UCITS management company in accordance with the 2010 Law.

The relationship between the Fund and the Management Company is subject to the terms of the Management Company Agreement dated October 1, 2019. Under the terms of the Management Company Services



Agreement, the Management Company is responsible for the investment management and administration of the Fund as well as the marketing, distribution and sale of the shares, subject to the overall supervision of the Board of Directors. The Management Company is in charge of the day-to-day business activities of the Fund. The Fund pays to the Management Company a management company services fee that will not exceed 0.10% of the average assets per Sub-Fund per annum subject to a minimum of EUR 80,000, such minimum to be charged at the level of the Fund. The Fund also pays the Management Company annual fees for distribution, registration, and other ancillary services.

The Fund has appointed the Management Company to provide assistance to the Fund for the supervision and due diligence duties on the Depositary.

For the purpose of a more efficient conduct of its business, the Management Company may delegate to third parties the power to carry out some of its functions on its behalf, in accordance with applicable laws and regulations of Luxembourg, as applicable with the prior consent of the Fund. The delegated functions shall remain under the supervision and responsibility of the Management Company and the delegation shall not prevent the Management Company from acting, or the Fund from being managed, in the best interests of the investors. The delegation to third parties is subject to the prior approval of the CSSF.

The Management Company Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Management Company Agreement may also be terminated on shorter notice in certain circumstances. The Management Company Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Fund will not be affected by any delegation of functions by the Management Company.

The directors of the Management Company:

- Mr. Gianluigi SAGRAMOSO (Chairman)
- Mr. Carlo SAGRAMOSO
- Mr. Philippe MELONI

The conducting persons of the Management Company:

- Mr. Jean Philippe Claessens
- Mr. Alexandre Dumont
- Mr. Philippe Meloni
- Ms. Armelle Moulin
- Mr. Gilles Roland

## **LUXEMBOURG CENTRAL ADMINISTRATOR AND DEPOSITARY**

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### **Depositary**

The Board of Directors has appointed State Street Bank International GmbH, acting through its Luxembourg Branch (which also acts as the Luxembourg Central Administrator, as described further below, and was formerly known as State Street Bank Luxembourg S.C.A.) as depositary of the assets of all the Sub-Funds (the "Depositary"), within the meaning of the 2010 Law, to be overseen by the Management Company.

State Street Bank International GmbH ("SSBI GmbH") is a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 Munich, Germany and registered with the commercial register of the local court of Munich under registration number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank. State Street Bank International GmbH, Luxembourg Branch ("SSBI Luxembourg Branch") is authorized by the CSSF in Luxembourg to act as depositary and is specialized in depositary, fund administration, and related services. SSBI Luxembourg Branch is registered in the Luxembourg Commercial and Companies' Register (RCS) under number B 148 186. SSBI GmbH is a member of the State Street group of companies,

having as their ultimate parent State Street Corporation, a US publicly listed company.

### ***Depositary's functions***

The relationship between the Fund and the Depositary is subject to the terms of the Depositary Agreement. In its capacity as Depositary, SSBI Luxembourg Branch carries out the usual duties regarding custody, cash and securities deposits. In particular, and upon the instructions of the Investment Manager, it will settle all financial transactions and provide all banking facilities required by the Fund. As Depositary, SSBI Luxembourg Branch further, in accordance with the 2010 Law and the terms of the Depositary Agreement:

- ensures that the sale, issuance, repurchase, redemption and cancellation of Fund shares are carried out in accordance with applicable law and the Articles;
- ensures that the Net Asset Value of the shares is calculated in accordance with applicable law and the Articles;
- carries out the instructions of the Fund unless they conflict with applicable law and the Articles;
- ensures that in transactions involving the assets of a Sub-Fund, any consideration is remitted within the usual time limits;
- ensures that the income of the Fund is applied in accordance with applicable law and the Articles;
- monitors the Fund's cash and cash flows;
- is responsible for safekeeping the Sub-Funds' assets, including the safekeeping of financial instruments to be held in custody and ownership verification and recordkeeping in relation to other assets.

### ***Depositary's liability***

- In the event of a loss of a financial instrument held

in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund acting on behalf of the Fund without undue delay.

- The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.
- The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.
- In case of a loss of financial instruments held in custody, Shareholders may invoke the liability of the Depositary directly or indirectly through the Fund provided that this does not lead to a duplication of redress or to unequal treatment of Shareholders.
- The Depositary is indemnified by the Fund against all liabilities suffered or incurred by the Depositary by reason of the proper performance of the Depositary's duties under the terms of the Depositary Agreement save where any such liabilities arise as a result of the Depositary's negligence, fraud, bad faith, willful default or recklessness of the Depositary or the loss of financial instruments held in custody.
- The Depositary will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

### *Depository's Conflicts of Interest*

The Depository is part of an international group of companies and businesses ("State Street") that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own accounts, which may result in actual or potential conflicts. Conflicts of interest arise where the Depository or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, brokering, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depository or its affiliates:

- (i) will seek to profit from such activities, and are entitled to receive and retain any profits or compensation in any form and, except as required by law, the Depository is not bound to disclose to the Fund, the nature or amount of any such profits or compensation in any form earned by affiliates of the Depository or the Depository when acting in any other capacity, including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;

(iv) may provide the same or similar services to other clients including competitors of the Fund and the fee arrangements it has in place will vary;

(v) may be granted creditors' rights by the Fund, e.g. indemnification which it may exercise in its own interest. In exercising such rights the Depository or its affiliates may have the advantage of an increased knowledge about the affairs of the Fund relative to third party creditors, thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Fund's strategy. The Fund may use an affiliate of the Depository to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund. The Depository will not, except as required by law, disclose any profit made by such affiliates.

Where cash belonging to the Fund is deposited with an affiliate being a bank, cash is not segregated from its own assets and a conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker.

The Management Company may also be a client or counterparty of the Depository or its affiliates and a conflict may arise where the Depository refuses to act if the Management Company directs or otherwise instructs the Depository to take certain actions that might be in direct conflict with the interests of the investors in Fund.

The types and levels of risk that the Depository is

willing to accept may conflict with the Fund's preferred investment policy and strategy.

Potential conflicts that may arise in the Depositary's use of sub-custodians include five broad categories:

- (i) the global custodian and sub-custodians seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares;
- (ii) the Depositary will typically only provide depositary services where global custody is delegated to an affiliate of the Depositary. The global custodian in turn appoints a network of affiliated and non-affiliated sub-custodians. Multiple factors influence the determination of the global custodian to engage a particular sub-custodian or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global custodian), significant business relationships and competitive considerations;
- (iii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;
- (iv) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

- (v) sub-custodians may have creditors' rights against client assets and other rights that they have an interest in enforcing.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its Shareholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians. The Depositary makes available frequent reporting on clients' activity and holdings, with the underlying sub-custodians subject to internal and external control audits. Finally, the Depositary segregates the Fund's assets from the Depositary's proprietary assets and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

#### *Delegation*

The Depositary has full power to delegate the whole or any part of its safekeeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safekeeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at State Street Financial Center, One Lincoln Street, Boston, Massachusetts 02111, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as

global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safekeeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Fund or at the following internet site: <http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>.

The rights and duties of the Depositary are governed by an agreement entered into on August 22, 2016, as may be amended from time to time, for an unlimited period of time, which may be terminated at any time by the Fund or the Depositary on giving 90 calendar days' prior written notice. In addition, the agreement may be terminated immediately upon a determination by the Board of Directors that such termination is in the best interests of the Shareholders of the Fund. However, the Depositary will continue to act as depositary of the Fund pending its replacement and until all assets of the Sub-Funds have been transferred to the successor depositary.

#### ***Global Conflicts of Interest policy***

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depositary, is responsible for establishing and maintaining a Conflicts of Interest Program for the purpose of identifying and managing organizational conflicts of interest that may arise within the business unit in connection with providing services to its clients or in delivering its functional responsibilities.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

The Fund pays to the Depositary by way of

remuneration a fee, which varies from 0.03% of net assets to 0.75% of net assets, depending on the countries in which the Sub-Funds invest, payable monthly in arrears, plus transaction fees. The Fund also pays the Depositary a depositary oversight service fee of 0.012% of net assets annually.

#### **Luxembourg Central Administrator**

With the consent of the Fund, the Management Company has appointed SSBI Luxembourg Branch as administrative, registrar and transfer agent and as domiciliary and paying agent of the Fund (the "Luxembourg Central Administrator") pursuant to the Administration Agency, Domiciliary, Corporate and Paying Agency, Registrar and Transfer Agency Agreement dated October 1, 2019, as amended from time to time (the "Administration Agreement").

Under the terms of the Administration Agreement, the Administrator will provide the principal office of the Fund, carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the Net Asset Value per Share of each Class, maintain the principal books and accounting records of the Fund, process all subscriptions, redemptions, conversions, and transfers of shares, register these transactions in the register of Shareholders, and be responsible for safekeeping of the register of Shareholders. In addition, as registrar and transfer agent of the Fund, the Luxembourg Central Administrator is also responsible for handling the processing of subscriptions (including, where applicable, accepting share certificates tendered for redemption) for shares, dealing with requests for redemptions and conversions and accepting transfers of funds, collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations. The Luxembourg Central Administrator is also responsible for the payment of distributions and for providing and supervising the mailing (if any) of statements, reports, notices and all other communications with Shareholders of the Fund in compliance with the provisions of and as more fully

described in the Administration Agreement.

The Luxembourg Central Administrator is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund.

The Administration Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than sixty (60) calendar days' prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of a material clause of the Administration Agreement. The Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the Shareholders. The Administration Agreement contains provisions exempting the Luxembourg Central Administrator from liability and indemnifying the Luxembourg Central Administrator in certain circumstances. However, the liability of the Luxembourg Central Administrator towards the Management Company and the Fund will not be affected by any delegation of functions by the Luxembourg Central Administrator.

The Fund has agreed to indemnify and hold harmless the Luxembourg Central Administrator and its officers and directors from costs, liabilities, expenses (including reasonable attorney fees) and losses which may be suffered or incurred by the Luxembourg Central Administrator or any such persons by reason of the Luxembourg Central Administrator's performance or non-performance of its obligations or duties (other than those resulting from the Luxembourg Central Administrator's failure to exercise reasonable care in the performance of its duties, and those resulting from the fraud, negligence, bad faith, willful default or willful misconduct and other than tax on the Luxembourg Central Administrator's overall income or profits).

The Fund pays to the Luxembourg Central Administrator an administration fee for each Sub-Fund,

payable monthly in arrears, based on the net assets of the Sub-Fund, calculated on a scaled fee structure from 0.06% to 0.10% of net assets of the Sub-Fund. The Fund also pays the Luxembourg Central Administrator a monthly fee of \$1,500 per Sub-Fund for transfer agent and registration services, plus transaction fees.

## GENERAL INFORMATION

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### Corporate Information

The Fund transferred its registered office to Luxembourg with effect on October 30, 1996 and established as a Luxembourg investment company with variable share capital by adopting its Articles according to a general assembly of Shareholders held in Luxembourg on that same day. The Fund is governed by the Law of August 10, 1915 on commercial companies, as amended, and by the 2010 Law.

The registered and principal offices of the Fund are established at 49, avenue J.F. Kennedy, L-1855 Luxembourg. All communications from Shareholders to the Fund should be directed to the Fund's principal office, c/o the Luxembourg Central Administrator. The Fund is recorded at the *Registre de Commerce et des Sociétés* with the District Court of Luxembourg under number B 56.751.

The Articles were published in the *Recueil des Sociétés et Associations* (the "RESA" of December 16, 1996 and have been filed with the Chancery of the District Court of Luxembourg together with the "*Notice légale*" on the issue and sale of Investor Shares. Any interested person may inspect these documents at the Chancery of the District Court of Luxembourg; copies are available on request at the registered office of the Fund. The Articles were amended for the last time on February 21, 2019 and were published in the RESA on March 22, 2019.

The minimum capital of the Fund, as provided by 2010 Law and the Articles, is the equivalent in Dollars of €1,250,000. The share capital of the Fund is equal, at any time, to the total Net Asset Value of all Sub-Funds. The capital of the Fund is represented by fully paid-up

shares of no par value. No shares of the Fund carry preferential or pre-emptive rights. Each Investor Share and Manager Share pertaining to a Sub-Fund is entitled to one vote at any general meeting of Shareholders or any general meeting of Shareholders of such Sub-Fund in accordance with Luxembourg law and the Fund's Articles. **No fractional Investor Shares will be issued.**

The assets of the Fund are divided into Sub-Funds, with two Classes, a Class of Investor Shares and a Class of Manager Shares, relating to each Sub-Fund. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and the geographic and/or currency preferences of the relevant Sub-Fund. As a result, the Fund is an umbrella fund enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. As between Shareholders, each pool of assets constituting a Sub-Fund will be invested for the exclusive benefit of the holders of Investor Shares and Manager Shares relating to that Sub-Fund. The Fund is considered as one single legal entity. With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund is exclusively responsible for all liabilities attributable to it. The Board of Directors may from time to time decide to create additional Sub-Funds. In that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds.

At present, the Fund has issued eight classes of shares, including three classes of Investor Shares and three classes of Manager Shares as listed below.

**Class B Investor Shares**

- relating to the International Sub-Fund (Euro);

**Class C Investor Shares**

-relating to the International Sub-Fund (CHF);

**Class D Investor Shares**

-relating to the High Dividend Sub-Fund;

**Class B-1 Manager Shares**

-relating to the International Sub-Fund (Euro);

**Class C-1 Manager Shares**

-relating to the International Sub-Fund (CHF);

**Class D-1 Manager Shares**

-relating to the High Dividend Sub-Fund.

***Manager Shares***

Manager Shares are issued at their respective Net Asset Value per share for the beneficial ownership of owners of the Investment Manager (and their immediate family members and estates), including certain owners who are members of the Investment Manager's Investment Committee, which is in charge of making investment decisions for the Fund. Certain other owners and former owners may own Manager Shares.

Manager Shares of each Class are available for issue at any Valuation Date. Subscription payments for Manager Shares are made in the same manner and within the same time periods as applicable to subscription payments on the Investor Shares (see "*The Offering - Payment for Investor Shares*"). No minimum subscription or holding is required with regard to Manager Shares of any Class.

Manager Shares of any Class may be redeemed at any Valuation Date (as described in "*Redemption of Investor Shares*") but they may not be converted into another Class of Manager Shares and may not be converted into Investor Shares. Applications for the redemption of Manager Shares which are received after 12:00 noon on a Valuation Date will be redeemed at the Net Asset Value as of the next following Valuation Date.

The Classes of Manager Shares exist to facilitate investment in the Fund by owners of the Investment Manager (and their immediate family members and estates). Manager Shares are redeemable at Net Asset Value on any Valuation Date. The investment by the owners of the Investment Manager in Manager Shares may be increased from time to time in the future. These investments are considered to be long-term commitments although the holders of the Manager Shares may redeem Manager Shares from time to time.

### ***Change of Control of the Investment Manager***

In the event that there occurs a change in control of the Investment Manager, notice will be mailed to all Shareholders within 30 days after such redemption or change.

### ***Additional Information***

The Articles provide that the inscription of a Shareholder's name in the register of Shareholders evidences his right of ownership of such registered shares. It is the policy of the Fund no longer to issue Share certificates. Investor Shares are freely transferable, except that the Fund will not issue, register, or transfer any Investor Shares if, in the opinion of the Fund, to do so would or might result in (a) beneficial ownership by a U.S. Person, as defined in the Articles (see below), (b) beneficial ownership in excess of 9.9% of the issued and outstanding Investor Shares of any Sub-Fund by any Canadian resident who makes a special declaration of such residency, or (c) beneficial ownership by any Prohibited Person as defined in the Articles (see below). The Fund also will not issue Investor Shares to any person whose identity has not been established to the satisfaction of the Board of Directors and the Luxembourg Central Administrator in accordance with applicable anti-money laundering and other laws and policies adopted or approved by the Board of Directors. The Articles also provide that the Fund may compulsorily redeem all or a portion of a Shareholder's Investor Shares if it should reasonably appear to the Fund that the beneficial owner of such shares is a U.S. Person, a certain Canadian person, or a Prohibited Person (see below).

### **Compulsory Redemption**

**A. U.S. Persons and Prohibited Persons:** The Fund may redeem all of a Shareholder's Investor Shares when it appears that a U.S. Person or a Prohibited Person is the beneficial owner of such Investor Shares. In the event of such compulsory redemption, the Shareholder will be entitled to the lesser of the Net Asset Value of his or her Investor

Shares on the Valuation Date immediately preceding or the Net Asset Value of his or her Investor Shares on the Valuation Date immediately succeeding the redemption date. The Shareholder will have no rights as a Shareholder in the Fund after the date specified in the redemption notice.

As set forth in the Articles, the term "U.S. Person" means (i) a citizen or resident of the United States of America or any of its territories, possessions, or areas subject to its jurisdiction or persons who are normally resident therein; (ii) a partnership organized or existing under the laws of any state or possession of the United States of America; (iii) a corporation organized or existing under the laws of the United States of America or of any state or possession thereof; (iv) any estate or trust, other than an estate or trust the income of which, from sources outside the United States which is not effectively connected with the conduct of a trade or business within the United States of America is not includable in gross income for purposes of determining U.S. income tax payable by it; (v) any firm, corporation, or other entity, regardless of citizenship, domicile, situs or residence if, under the income tax laws of the United States of America, the ownership thereof would be attributed to one or more U.S. persons; or (vi) any person falling within the definition of "U.S. Person" in Regulation S under the U.S. Securities Act of 1933, as amended. However, the term "U.S. Person" does not include certain persons affiliated with the Investment Manager.

The term "Prohibited Person" is defined in the Articles to mean any person or entity who, by virtue of its ownership of Investor Shares, appears to the Fund and its independent counsel to cause the Fund or its Investment Manager to be in violation of the law or requirements of any country or governmental authority or in contravention of the Fund's Articles.

**B. Canadian persons:** The Fund will redeem a Shareholder's Investor Shares to the extent such shares exceed 9.9% of the issued and outstanding



Investor Shares of any Sub-Fund when it appears that the owner of such Investor Shares is a Canadian resident who has made a special declaration of such residency on his Subscription Agreement. To obtain the benefits of such compulsory redemption, Canadian residents making special declarations of such residency should also declare any indirect or beneficial holdings of Investor Shares at the time of subscription and any holdings subsequently acquired. In addition, the Fund will repurchase Investor Shares owned by Canadian residents in order to maintain Canadian ownership of Investor Shares in any Sub-Fund at 45% or less in the aggregate. Such repurchases will be made in the reverse order in which ownership was acquired. In the event that more than one Canadian resident obtains ownership on any date, such repurchases will be made pro rata in accordance with the relative holdings of such Canadian residents.

### **General Meetings and Reports to Shareholders**

Notice of any general meetings of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Fund or of any Sub-Fund) are sent to each registered Shareholder in accordance with the provisions of the Luxembourg law of August 10, 1915 on commercial companies, as amended.

The annual general meeting of the Fund is held in Luxembourg City at a place specified in the notice of meeting within six (6) months of the end of each financial year generally on the second Tuesday in the month of February. Shareholders of any Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund.

If the Articles are amended, such amendments will be filed with the Chancery of the District Court of Luxembourg and published on the RESA.

A Shareholder will be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general Shareholders' meetings, only if

the investor is registered himself and in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against Fund. Investors are advised to take advice on their rights.

An annual report, including audited financial statements, is published on the Fund's website, [www.tweedysicav.com](http://www.tweedysicav.com), following the end of each fiscal year ending September 30. The annual report includes, among other things, the combined accounts relating to all of the Sub-Funds, a detailed description of the assets of each Sub-Fund, a report from the Auditor, and a letter from the Investment Manager. Annual reports are published on the Fund's website within four months after the end of the Fund's fiscal year. The Fund also publishes unaudited semi-annual reports containing information as to the investments of each Sub-Fund and the number of Investor Shares issued and redeemed since the last report. Semi-annual reports are published on the Fund's website within two months after the end of the period covered. Copies of annual and semi-annual reports of the Fund may be obtained, free of charge, by any person at the offices of the Luxembourg Central Administrator. The accounting year of the Fund commences on the first of October of each year and terminates on the next following September 30.

To the extent permitted by applicable law, the Fund may also make certain other information, including, for example, notices to Shareholders of changes in the Prospectus or portfolio holdings information, via its website, [www.tweedysicav.com](http://www.tweedysicav.com).

The consolidated accounts of the Fund are maintained in Dollars. In addition, the Fund publishes the financial statements of each Sub-Fund. The financial statements of the International Sub-Fund (Euro) and the High Dividend Sub-Fund are expressed in Euros, and the financial statements of the International Sub-Fund (CHF) are expressed in Swiss francs.

## **Dissolution and Liquidation of the Fund**

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

Whenever the share capital falls below two-thirds of the minimum capital required by law and indicated in Article 5 of the Articles (the equivalent in Dollars of €1,250,000), the question of the dissolution of the Fund will be referred to a general meeting of Shareholders by the Board of Directors. This general meeting, for which no quorum will be required, will decide whether to dissolve the Fund by a simple majority of the votes validly cast at the meeting.

The question of dissolution of the Fund will also be referred to a general meeting of Shareholders whenever the share capital falls below one-fourth of the minimum capital set in accordance with Article 5 of the Articles. In such event, the general meeting will be held without a quorum requirement and the Fund will be dissolved if holders of one quarter of the votes validly cast at the meeting vote to dissolve.

Shareholder meetings convened in accordance with the foregoing requirements must be convened so that they are held within a period of 40 days from the triggering event.

Liquidation of the Fund will be carried out by one or more liquidators, who may be individuals or legal entities, duly approved by the Luxembourg regulatory authorities and appointed by the general meeting of Shareholders, which will also determine their powers and their compensation.

On dissolution of the Fund, after payment of all liabilities of the Fund, the remaining assets will be credited to each Class of Investor Shares and Manager Shares as if the effective date of dissolution were a fiscal year-end Valuation Date. The net proceeds of liquidation corresponding to each Class of Investor Shares and Manager Shares will be distributed by the

liquidators to the holders of such Class in proportion to their holding of Investor Shares or Manager Shares.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the 2010 Law. Such law specifies the steps to be taken to enable Shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the “*Caisse de Consignation*” at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period will be liable to be forfeited in accordance with the provisions of Luxembourg law.

## **Dissolution of Sub-Funds**

Notwithstanding the powers conferred on the Board of Directors to redeem all Investor Shares of a Sub-Fund in specific circumstances described above in “*Redemption of Investor Shares*”, the general meeting of Shareholders of a Sub-Fund may, upon proposal by the Board of Directors, by resolution adopted at such meeting take the following actions: reduce the capital of the Fund by cancellation of the Investor Shares and Manager Shares issued in the Sub-Fund and refund to the Shareholders the Net Asset Value of their Investor Shares and Manager Shares (taking into account proceeds of realization of investments as well as realization expenses in connection with such cancellation) calculated on the Valuation Date at which such resolution takes effect.

In the general meetings of Shareholders of the Sub-Funds affected, no quorum is required and resolutions may be passed by the affirmative vote of the simple majority of the votes validly cast at such meetings.

The Board of Directors may decide to liquidate any Sub-Fund if the net assets of such Sub-Fund are considered to be too low for that Sub-Fund to continue to be managed efficiently, if a change in the economic or political situation relating to the Sub-Fund concerned would justify such liquidation, or in case of a product rationalisation decided by the Board of Directors. The

Fund will serve a notice to the holders of the relevant class or classes of shares prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations.

Registered Shareholders will be notified by letter of the decision to liquidate prior to the effective date of the liquidation and the letter will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their shares free of charge. The net liquidation proceeds of each Sub-Fund will be distributed to the shareholders of each class of the relevant Sub-Fund in proportion to their respective holdings of such class.

Assets which may not be distributed to the relevant beneficiaries upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed shares will be cancelled.

At the close of liquidation of any Sub-Fund, the proceeds thereof corresponding to Investor Shares or Manager Shares not surrendered may be kept in safe custody with the Luxembourg Central Administrator, as Depositary of the Fund, during a period not exceeding nine months from the date of the close of the liquidation. After this period, these proceeds will be kept in safe custody at the *Caisse de Consignation*.

## ***Mergers of the Fund / of the Sub-Funds***

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

#### ***1.1. The Fund***

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the Fund, either as receiving or absorbed UCITS, with:

- another Luxembourg or foreign UCITS (the “New

UCITS”); or

- a sub-fund thereof,

and, as appropriate, to redesignate the shares of the Fund concerned as shares of this New UCITS, or of the relevant sub-fund thereof as applicable.

In case the Fund is involved in a merger and is the receiving UCITS (within the meaning of the 2010 Law), solely the Board of Directors will decide on the merger and effective date thereof.

In the case the Fund is involved in a merger and is the absorbed UCITS (within the meaning of the 2010 Law), and hence ceases to exist, the general meeting of the Shareholders, rather than the Board of Directors, has to approve, and decide on the effective date of, such merger by a resolution adopted with no quorum requirement and by a simple majority of the votes validly cast at such meeting.

Such a merger will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

#### ***1.2. The Sub-Funds***

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another existing or new Sub-Fund within the Fund or another sub-fund within a New UCITS (the “New Sub-Fund”); or
- a New UCITS,

and, as appropriate, to redesignate the shares of the Sub-Fund concerned as shares of the New UCITS, or of the New Sub-Fund as applicable.

Such a merger will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

## 2. Mergers decided by the Shareholders

### 2.1. The Fund

Notwithstanding the powers conferred on the Board of Directors as described in the preceding section, a merger (within the meaning of the 2010 Law) of the Fund, either as receiving or absorbed UCITS, with:

- a New UCITS; or
- a sub-fund thereof,

may be decided by a general meeting of the Shareholders for which there shall be no quorum requirement and which will decide on such a merger and its effective date by a resolution adopted by a simple majority of the votes validly cast at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

### 2.2. The Sub-Funds

The general meeting of the Shareholders of a Sub-Fund may also decide a merger (within the meaning of the 2010 Law) of the relevant Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- any New UCITS; or
- a New Sub-Fund

by a resolution adopted with no quorum requirement by a simple majority of the votes validly cast at such meeting.

Such a merger will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

## LEGAL AND TAX ADVISORS

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Akin Gump Strauss Hauer & Feld, LLP, One Bryant Park, New York, NY 10036-6745, USA, are U.S. legal

and tax advisors to the Fund.

Arendt & Medernach S.A., 41A, avenue J.F. Kennedy, L-2082 Luxembourg, are Luxembourg legal and tax advisors to the Fund.

## AUDITORS

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Ernst & Young S.A., 35E, avenue John F. Kennedy, Luxembourg L-1855, Luxembourg, acts as the Fund's auditors.

## DOCUMENTS FOR INSPECTION

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Copies of the documents listed below are available for inspection during normal business hours at the registered office of the Fund in Luxembourg.

- (a) The current Prospectus of the Fund<sup>1</sup>.
- (b) The current KIID relating to each Sub-Fund<sup>1</sup>.
- (c) The Articles<sup>1</sup>.
- (d) The Management Company Services Agreement with Lemanik Asset Management S.A.
- (e) The Fifth Amended and Restated Investment Management Agreement with Tweedy, Browne Company LLC, the Fund and Lemanik Asset Management S.A. and Voluntary Investment Management Fee Waiver Agreement.
- (f) The Depositary Agreement with State Street Bank International GmbH, Luxembourg Branch (formerly known as State Street Bank Luxembourg S.C.A.).
- (g) The Administration Agency, Domiciliary, Corporate and Paying Agency, Registrar and Transfer Agency Agreement with State Street Bank International GmbH, Luxembourg Branch (formerly known as State Street Bank Luxembourg S.C.A.), the Fund and Lemanik Asset Management S.A.
- (h) The latest audited annual report of the Fund and any subsequent interim reports<sup>1</sup>.

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<sup>1</sup> Available on request free of charge.

- (i) The 2010 Law and the Luxembourg Law of August 10, 1915 on commercial companies, as amended.
- (j) Part 2A and Part 2B of Form ADV, the registration form for the Investment Manager's registration as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended.<sup>1</sup>

The agreements listed above may be amended from time to time by mutual consent of the parties thereto. In addition, the following information is available at the registered office of the Fund in Luxembourg:

### ***Complaints Handling Policy***

A person having a complaint regarding the operation of the Fund or a Sub-Fund may submit such complaint in writing to Lemanik Asset Management S.A., Attention to the Compliance Department, 106, route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg; to First Independent Fund Services, Ltd., the Fund's authorized Swiss representative; or certain other designated representatives. The details of the Fund's complaint handling procedures may be obtained free of charge during normal office hours at the registered office of Lemanik Asset Management S.A.

### ***Best Execution Policy***

The Investment Manager's best execution policy sets out the basis upon which it will effect transactions and place orders in relation to the Fund whilst enabling the Management Company to comply with its obligations under the CSSF Regulation No. 10-4 and the CSSF Circular 18/698 to obtain the best possible result for the Fund and its Shareholders. Details of the Investment Manager's and Management Company's best execution policies may be obtained free of charge during usual business hours on any Business Day in Luxembourg at the Registered Office of the Fund or the Management Company.

### ***Strategy for the Exercise of Voting Rights***

The Management Company has a general proxy voting strategy for determining when and how voting rights attached to ownership of the investments held by the

funds under the Management Company's management are to be exercised for the exclusive benefit of the relevant funds. A summary of this strategy is available at <http://lux.lemanikgroup.com>. In addition, the Investment Manager of the Fund has established a proxy voting policy for securities held by the Fund to which voting rights are attached. The policy provide that the Fund's voting rights will be exercised in accordance with the best interests of the Fund. A summary of the Investment Manager's policy may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg and is available on the Fund's website at [www.tweedysicav.com](http://www.tweedysicav.com). Details of any proxy voting decisions made by the Investment Manager on behalf of each Sub-Fund are available from the registered office of the Fund in Luxembourg, upon request.

### ***Remuneration Policy***

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Fund (the "Remuneration Policy").

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Fund or the Sub-Funds.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website <http://www.lemanikgroup.com/management-company->

[service\\_substance\\_governance.cfm](#).

(a) A paper copy of the Remuneration Policy is available free of charge to the shareholders upon request.

(b) The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the shareholders and includes measures to avoid conflicts of interest.

(c) In particular, the Remuneration Policy will ensure that:

- the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- the assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on the longer-term performance of the Fund and its employees and that the actual payment of performance-based components of remuneration is spread over the same period;
- the variable remuneration to individuals is paid

in a manner that does not facilitate avoidance of the requirement of the 2010 Law; and

- the remuneration in relation to the cancellation of a contract will be defined to the extent of the duties performed and avoiding the reward of failure or bad performance.

In context of delegation, the Management Company will ensure that the delegate has in place a remuneration policy and practices which are consistent with the requirements of articles 111*bis* and 111*ter* of the 2010 Law, and article 14*a* of the UCITS Directive.

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

## **Glossary of Certain Defined Terms**

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“**2010 Law**” means the Luxembourg law of December 17, 2010 on UCIs, as amended from time to time.

“**Base Currency**” means the currency in which the Net Asset Value of a Sub-Fund is expressed.

“**Business Day**” means any day on which both banks and stock exchanges are open for business in Luxembourg City and New York City.

“**China or PRC**” means the People’s Republic of China (excluding Hong Kong, Macau and Taiwan for the purposes of this Prospectus).

“**China A-Shares**” means the Renminbi-denominated “A” shares in mainland China-based companies that trade on Chinese stock exchanges such as the SSE and the SZSE”.

“**CRS Law**” means the Luxembourg law dated December 18, 2015, as may be amended, on the Common Reporting Standard (CRS) implementing Council Directive 2014/107/EU of December 9, 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD’s multilateral competent authority agreement on automatic exchange of financial account information signed on October 29, 2014 in Berlin, with effect as of January 1, 2016.

“**CSSF Circular 11/512**” means the CSSF Circular 11/512 of May 30, 2011 determining the (i) presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications, (ii) further clarifications from the CSSF on risk management rules and (iii) the definition of the content and format of the risk management process to be communicated to the CSSF.

“**CSSF Circular 18/698**” means the CSSF Circular 18/698 of August 23, 2018 regarding authorisation and organisation of investment fund managers incorporated under Luxembourg law: Specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent, as amended from time to time.

“**CSSF Regulation 10-04**” means the CSSF Regulation No. 10-04 transposing Commission Directive 2010/43/EU of July 1, 2010 implementing the UCITS Directive as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company, as amended from time to time.

“**Currency of Denomination**” means the currency in which the value of any assets of a Sub-Fund are denominated.

“**EU**” means the European Union.

“**FATCA Law**” means the Luxembourg law of July 24, 2015, as amended from time to time, implementing the Luxembourg IGA.

“**Group of Companies**” means companies belonging to the same body of undertakings and which must



draw up consolidated accounts in accordance with Council Directive 83/349/EEC of June 13, 1983 on consolidated accounts or according to recognized international accounting rules, as amended.

“**Member State**” means a member state of the EU.

“**Money Market Instruments**” means instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.

“**Other Regulated Market**” means a market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions), (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public.

“**Other State**” means any State of Europe which is not a Member State, and any State of America, Africa, Asia, Australia and Oceania.

“**Regulatory Authority**” or “**CSSF**” means the Luxembourg authority (the *Commission de Surveillance du Secteur Financier*) or its successor in charge of the supervision of the UCIs in the Grand Duchy of Luxembourg.

“**Regulated Market**” means a regulated market according to Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“**MiFID Directive**”). A list of regulated markets according to MiFID Directive is regularly updated and published by the European Commission.

“**Renminbi**” or “**RMB**” means the lawful currency of the PRC.

“**SEHK**” means the Stock Exchange of Hong Kong Limited.

“**Shareholders**” means holders of Investor Shares or Manager Shares, as recorded in the books of the Fund on file with the Luxembourg Central Administrator.

“**SSE**” means the Shanghai Stock Exchange.

“**Stock Connect**” means (i) Shanghai-Hong Kong Stock Connect, the mutual market access programme through which investors can deal in select securities listed on the SSE through the SEHK and clearing house in Hong Kong (Northbound trading); and (ii) the Shenzhen-Hong Kong Stock Connect, the mutual market access program through which foreign investors can deal in select securities on the SZSE through the SEHK and clearing house in Hong Kong (Northbound trading).

“**Sustainability Factor**” means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

“**Sustainability Risk**” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by a Sub-Fund.

“**SZSE**” means the Shenzhen Stock Exchange.

“**Taxonomy Regulation**” means Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, as may be amended from time to time.

“**Transferable Securities**” means:

- equities and other securities equivalent to equities;
- bonds and other debt instruments;
- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments.

“**UCI**” means an undertaking for collective investment as defined by Luxembourg law.

“**UCITS**” means an undertaking for collective investment in Transferable Securities within the meaning of the UCITS Directive.

“**UCITS Directive**” means Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as may be amended from time to time, notably by Directive 2014/91/EU of the European Parliament and of the Council of July 23, 2014 on the coordination of laws, regulations and administrative provisions relating to UCITS as regards depositary functions, remuneration policies and sanctions.

“**UCITS Regulation**” means Commission Delegated Regulation (EU) 2016/438 of December 17, 2015 supplementing the UCITS Directive with regard to obligations of depositaries, as may be amended from time to time.

“**Valuation Date**” means the dates in which shares in the Fund are available for issue at the Net Asset Value twice each month, normally the fifteenth and the last calendar days of the month or, if either of the fifteenth calendar day or last calendar day is not a Business Day, the first preceding Business Day.

**Tweedy, Browne Value Funds**

49, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Management Company**

Lemanik Asset Management S.A.  
106, route d'Arlon  
L-8210 Mamer  
Grand Duchy of Luxembourg

**Investment Manager**

Tweedy, Browne Company LLC  
One Station Place  
Stamford, Connecticut 06902  
United States of America

**Luxembourg Central Administrator  
and Depository**

State Street Bank International GmbH,  
Luxembourg Branch  
49, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Auditors**

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

**German Facilities Agent**

State Street Bank International GmbH  
Brienner Strasse 59  
80333 Munich  
Germany  
Telephone: (49) 89 55878-0  
Facsimile: (49) 244471-460

**Swiss Representative**

FIRST INDEPENDENT FUND SERVICES  
LTD.  
Klausstrasse 33  
CH-8008 Zurich  
Switzerland

**Swiss Paying Agent**

NPB Neue Privat Bank AG  
Limmatquai 1/am Bellevue  
Postfach, CH-8024 Zurich  
Switzerland  
Telephone: (41) 44 265 1188  
Facsimile: (41) 44 265 1189

**U.K. Facilities Agent**

Zeidler Legal Services (UK) Limited  
Adgate Tower, 4th Floor  
2 Lemon Street  
London E1 8FA  
United Kingdom

Not for use or distribution in the United States of America.

Distribution of this Prospectus should be accompanied by the most recent audited annual and any subsequent semi-annual report of the Fund. Such report(s) form an integral part of this Prospectus and this Prospectus does not constitute an offer of any Investor Shares unless accompanied by such report(s).

## **ANNEX I – SPECIAL INFORMATION FOR INVESTORS IN SWITZERLAND, GERMANY AND THE UNITED KINGDOM**

### **Investors in Switzerland**

The German-language version of the Prospectus, which the Fund, the Depositary and the Representative of the Fund in Switzerland have duly executed and which has been approved or acknowledged by the Swiss Financial Market Supervisory Authority FINMA, governs the legal relations between the Fund and its Shareholders in Switzerland.

#### *Representative and Paying Agent in Switzerland*

Pursuant to a Representation Agreement dated July 16, 2009 between the Fund and FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich, Switzerland, the latter was appointed as the Representative of the Fund in Switzerland (the “Swiss Representative”). Pursuant to a Paying Agency Agreement effective January 1, 2015, between the Fund and NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box CH-8024, Zurich, Switzerland, the latter was appointed as the Paying Agent for the Fund in Switzerland.

#### *Notices*

In Switzerland, the issue and redemption prices and/or the NAV for the Investor Shares (in the latter case with the notation “exclusive commissions”) as of each Valuation Date will be published on the website [www.fundinfo.com](http://www.fundinfo.com) and [www.tweedysicav.com](http://www.tweedysicav.com) and notices to Shareholders will be published on [www.fundinfo.com](http://www.fundinfo.com) and [www.tweedysicav.com](http://www.tweedysicav.com). Copies of the Articles, the Prospectus or the key investor information documents or key information documents respectively and the annual and semi-annual reports of the Fund may be obtained free of charge from the Representative.

#### *Place of Performance and Place of Jurisdiction*

In respect of Investor Shares offered in Switzerland, the place of performance is at the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the investor.

#### *Retrocessions and Rebates*

In connection with distribution in Switzerland, the Fund may enter into a distribution agreement or another form of agreement with certain qualified Swiss entities.

In respect of distribution in Switzerland, the Fund and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the fund.

The Investment Manager may pay retrocessions as remuneration for distribution activity in respect of Fund shares in Switzerland. This remuneration may be deemed payment for the following services in particular:

- Maintaining a supply of marketing and legal documents, and issuing to prospective investors;
- Operating and maintaining an electronic information platform;
- Clarifying and answering specific questions from investors pertaining to the Fund; and
- Consulting with the Fund, the Swiss Representative and the Investment Manager regarding appointment of additional distributors.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

Disclosure of the receipt of retrocessions is based on the applicable provisions of the Federal Act on Financial Services.

### **Investors in Germany**

#### *German Facilities Agent*

State Street Bank International GmbH, Brienner Strasse 59, 80333 Munich, Germany (including State Street Bank International GmbH - Frankfurt Branch, Solmsstrasse 83, 60486 Frankfurt am Main, Germany) (“German Facilities Agent”) will cover the tasks listed in Article 92(1) (a) to (f) of the UCITS Directive (as inserted by Article 1(4) of Directive (EU) 2019/1160), namely:

- (a) process subscription, repurchase and redemption orders and make other payments to Shareholders relating to the Investor Shares of the UCITS;
- (b) provide investors with information on how orders referred to in point (a) can be made and how repurchase and redemption proceeds are paid;
- (c) facilitate the handling of information and access to procedures and arrangements referred to in Article 15 relating to Shareholders’ exercise of their rights arising from their investment in the UCITS in Federal Republic of Germany;
- (d) make the information and documents required pursuant to Chapter IX available to investors under the conditions laid down in Article 94, for the purposes of inspection and obtaining copies thereof;
- (e) provide investors with information relevant to the tasks that the Facilities Agent performs in a durable medium;
- (f) act as a contact point for communicating with the competent authorities;

Investors in the Federal Republic of Germany may submit redemption and conversion applications for shares of the Sub-Funds directly to the German Facilities Agent, which will forward them to the Luxembourg Central Administrator of the Fund.

The latest version of the Prospectus, the key investor information documents (“KIIDs”) (in the German language), the articles of incorporation of the Fund (“Articles”), the annual and semi-annual reports, the issue, redemption and conversion prices of the shares of the Sub-Funds as well as any notices to investors

in the Federal Republic of Germany are available free of charge in hardcopy at the offices of the German Facilities Agent.

The documents listed in Section “Documents for Inspection” are also available for inspection free of charge at the offices of the German Facilities Agent on business days during usual business hours.

The latest subscription, redemption and conversion prices for each Sub-Fund as of each Valuation Date will be published and available at [www.tweedysicav.com](http://www.tweedysicav.com). Any notices to Shareholders in the Federal Republic of Germany will be published on the Fund’s website, [www.tweedysicav.com](http://www.tweedysicav.com). No shares will be issued as printed individual certificates.

In addition, Shareholders in Germany will be informed by means of a durable medium as defined by Section 167 (§167) of the German Capital Investment Act (*Kapitalanlagegesetzbuch – KAGB*) (for example, on the Fund’s website) in the following cases:

- the suspension of the redemption of Investor Shares,
- the termination of the management of, or liquidation of a Sub-Fund,
- any amendments to the Fund’s Articles that are incompatible with the previous investment principles, that affect material investor rights, or that relate to remuneration and reimbursement of expenses that are paid or can be paid out of the assets of the Fund,
- the merger of a Sub-Fund with one or more other Sub-Funds in the form of the information on the merger that is required to be prepared according to Article 43 of Directive 2009/65/EC, and
- the conversion of a Sub-Fund into a feeder fund or the change of a master fund in the form of the information that are required to be prepared according to Article 64 of Directive 2009/65/EC.

Information regarding the Fund’s complaints procedure is available to investors upon request free of charge from the Management Company and from the German Facilities Agent. Investors may also file complaints with the German Facilities Agent who will transmit such complaints to the Management Company.

Prospective investors should seek professional advice concerning the tax consequences of the investment in the Sub-Funds prior to making an investment decision.

### **Investors in the United Kingdom**

The Fund has the status of a recognised scheme under Section 264 of the United Kingdom Financial Services and Markets Act 2000.

*UK Facilities Agent*

UK investors can contact the UK facilities agent at

Zeidler Legal Services (UK) Limited  
The Print Rooms  
164 – 180 Union Street  
London SE1 0LH, United Kingdom  
(the “**UK Facilities Agent**”)

for the inspection (free of charge) or copies (free of charge) in the English language of:

- (a) the Articles;
- (b) any instrument amending the Articles;
- (c) the latest Prospectus;
- (d) the KIIDs in relation to each of the Shares marketed in the United Kingdom; and
- (e) most recent annual and semi-annual reports of the Fund.

Furthermore, UK investors can obtain information in English about the current Net Asset Value of Shares and may arrange for redemption of Shares and obtain payment of the redemption proceeds at the office of the UK Facilities Agent. Any person who has a complaint to make about the operation of the Fund can submit his or her complaint to the UK Facilities Agent for transmission to the Fund.

The Fund has been entered into the UK Reporting Fund regime with effect from October 1, 2018.