

# Lancelot Asset Management SICAV

## Prospectus

*Société d'Investissement à Capital Variable*

December 2025

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# 1. General

## 1.1 Glossary

<b>Articles of Incorporation</b>	The articles of incorporation of the Fund, as amended from time to time.
<b>Benchmark Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as amended from time to time.
<b>Board of Directors</b>	The board of directors of the Fund, whose members at the date of this Prospectus are further identified in section 1.4 Organisation of the Fund
<b>Business Day</b>	Any day on which banks in both Luxembourg and Sweden are open for business, unless defined otherwise in the Sub-Fund Specific Information sections.
<b>Class</b>	A class of Share of a Sub-Fund created by the Fund having a specific distribution policy, sales and redemption mechanism, fee structure, holding requirements, currency and hedging policy or other specific characteristics.
<b>Commitment Approach:</b>	A method of calculation of global exposure approach as detailed in applicable laws and regulations including but not limited to Circular CSSF 11/512 as amended from time to time and as further described in section 4.4 Global exposure approach.
<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector.
<b>CSSF Regulation 10-04</b>	CSSF Regulation transposing Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC as regards risk management, the Management Company must employ a risk management policy, as amended from time to time.
<b>Cut-Off</b>	The day and time by which subscription, redemption or conversion orders must be received, as defined in the Sub-Fund Specific Information sections.
<b>Depositary</b>	The depositary bank appointed by the Fund in accordance with the provisions of the 2010 Law and the Depositary Agreement, as identified in section 1.4 Organisation of the Fund.
<b>Depositary Agreement</b>	The agreement entered into between the Fund, the Management Company and the Depositary governing the appointment of the Depositary, as may be amended or supplemented from time to time.
<b>Distributor</b>	A financial intermediary appointed by the Management Company or by the Global Distributor duly licensed to distribute the shares of the Fund.
<b>ESMA</b>	The European Securities and Markets Authority, an independent EU Authority that contributes to safeguarding the stability of the European Union's financial system by enhancing the protection of investors and promoting stable and orderly financial markets.
<b>EU Law</b>	European Union Law, including without limitation EU Treaties, EU Directives, EU Regulations, delegated acts, implementing acts and case law of the CJEU and any other legal instrument creating EU Law.
<b>EUR</b>	The official currency of the Member States of the European Union that use such single currency.
<b>Fund</b>	Lancelot Asset Management SICAV, which term shall include any Sub-Fund thereof.
<b>FATCA</b>	The provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010, commonly referred to as the Foreign Account Tax Compliance Act (FATCA).

<b>Global Distributor</b>	The global distributor appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and the Global Distributor Agreement, as identified in section 1.4 Organisation of the Fund.
<b>Institutional Investors</b>	Institutional investors as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF and the Luxembourg Administration de l'enregistrement et des domaines.
<b>Investment Grade</b>	Securities with a rating of at least BBB- from Standard & Poor's or Fitch Ratings or at least Baa3 from Moody's Investor Services, or which are judged to be of equivalent quality based on similar credit criteria at the time of acquisition. In the event of a split rating, the better rating can be used.
<b>Investment Manager</b>	The investment manager appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and the Investment Management Agreement, as identified in section 1.4 Organisation of the Fund.
<b>Investment Management Agreement</b>	The agreement entered into between the Fund, the Management Company and the Investment Manager governing the appointment of the Investment Manager, as may be amended or supplemented from time to time.
<b>KID</b>	Key Information Document (pursuant to Regulation (EU) 1286/2014 on key information documents for PRIIPs) or Key Investor Information Document (pursuant to Commission Regulation (EU) 583/2010 (only for share classes reserved for professional investors not opting for a KID)) containing information on each Class of Shares of a Sub-Fund.
<b>Management Company</b>	The management company appointed by the Fund in accordance with the provisions of the 2010 Law and the Management Company Agreement, as identified in section 1.4 Organisation of the Fund.
<b>Management Company Services Agreement</b>	The agreement entered into between the Fund and the Management Company defining the scope and responsibilities of appointed the Management Company, as may be amended or supplemented from time to time.
<b>Market Timing</b>	Any market timing practice within the meaning of Circular CSSF 04/146 as amended from time to time or as that term may be amended or revised by the CSSF in any subsequent circular, i.e. an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the Net Asset Value of the UCI.
<b>Member State</b>	A state that is a contracting party to the Treaty creating the European Union. The states that are contracting parties to the Treaty creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
<b>Mémorial</b>	The Mémorial C, <i>Recueil Electronique des Sociétés et Associations</i> of the former official <u>gazette</u> of the Grand Duchy of Luxembourg.
<b>MIFID</b>	(i) the MiFID Directive, (ii) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as amended from time to time and (iii) all European and Luxembourg rules and regulations implementing those texts.
<b>MIFID Directive</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended from time to time.
<b>Money Market Instruments</b>	Instruments normally dealt in on the money market which are liquid, have a value which can be accurately determined at any time and fulfil one of the following criteria: they have a maturity at issuance of up to and including 397 days, they have a residual maturity of up to and including 397 days, they undergo regular yield adjustments in line with money market conditions at least every 397 days, their risk profile, including credit and interest rate risks, corresponds to that of financial instruments with above characteristics.

<b>NAV</b>	Net Asset Value. In relation to any Class of Shares in a Sub-Fund, the value of the net assets of that Sub-Fund attributable to that Class and calculated in accordance with the provisions described in Chapter 7 "Calculation and Publication of the Net Asset Value of Shares issued".
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>OTC</b>	Over-The-Counter which refers to the process of how securities are traded via a broker-dealer network as opposed to on a centralised exchange.
<b>Prospectus</b>	This prospectus including all appendices and supplements, as may be amended from time to time.
<b>Reference Currency</b>	The currency in which a Sub-Fund or Class is denominated.
<b>Registrar</b>	The Registrar is the authorised entity the Management Company with the consent of the Fund and in accordance with the provisions of the 2010 Law may appoint as agent to ensure the operations of the registrar function, one of the three main activities of the UCI administration further described in section 2.5 UCI Administrator of the Prospectus.
<b>Regulated Market</b>	Regulated market as defined in the MIFID Directive, i.e. a market on the list of regulated markets prepared by each Member State, that functions regularly characterised by the fact that the regulations issued or approved by the competent authorities set out the conditions of operation and access to the market, as well as the conditions that a given financial instrument must meet in order to be traded on the market, compliance with all information and transparency obligations prescribed in Directive 2014/65/EU, as well as any other regulated, recognised market open to the public that operates regularly.
<b>RESA</b>	The " <i>Recueil Electronique des Sociétés et Associations</i> ", the Electronic Compendium of Companies and Associations.
<b>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
<b>SFTR</b>	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.
<b>Share(s)</b>	The shares, or such Class of shares relating to a Sub-Fund as may be issued by the Fund from time to time.
<b>Shareholder(s)</b>	A person who is the registered holder of Shares of the Fund.
<b>Société d'investissement à capital variable</b>	An investment company with variable capital subject to Part I of the 2010 Law which has adopted the legal corporate form of a <i>société anonyme</i> governed by the Law of 10 August 1915 on commercial companies, as amended from time to time.
<b>Sub-Fund(s)</b>	One or several of the sub-funds of the Fund.
<b>Sub-Distributor(s)</b>	Entity(ies) appointed as sub-distributor of a particular Sub-Fund as described in section 2.5 Global Distributor, Distributor, Sub-Distributor.
<b>Sub-Investment Manager(s)</b>	Entity(ies) from time to time appointed as sub-investment manager of a particular Sub-Fund as disclosed in section 1.4 Organisation of the Fund and further described in as disclosed in the Sub-Fund Specific Information sections
<b>Sub-Investment Management Agreement</b>	The sub-investment management agreement, as amended, supplemented or otherwise modified from time to time, entered into between the Investment Manager of a Sub-Fund with a particular Sub-Investment Manager of a Sub-Fund as further set out in the Sub-Fund Specific Information sections
<b>Sub-Fund Information</b>	<b>Specific</b> The supplement(s) to this Prospectus with sub-fund specific information for each Sub-Fund, which form an integral part of this Prospectus.

<b>Transferable Securities</b>	Shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, as defined in the 2010 Law.
<b>Total Return Swaps</b>	A derivative contract in which the Fund transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty against payment to the Fund of a set rate over the life of the swap.
<b>UCI</b>	Undertaking for Collective Investment not covered by Part I of the 2010 Law.
<b>UCI Administrator</b>	The entity, as identified in the "Organisation of Fund", appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and entrusted with the UCI Administration as further described in section 2.4 UCI Administrator
<b>UCI Administrator Agreement</b>	The agreement entered into between the Fund, the Management Company and the UCI Administrator governing the appointment of the UCI Administrator, as may be amended or supplemented from time to time.
<b>UCITS</b>	Undertaking for Collective Investment in Transferable Securities in accordance with Part I of the Law of 17 December 2010 relating to collective investment or the UCITS Directive.
<b>UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended from time to time.
<b>Valuation Day</b>	The Business Day as of which the Fund's assets and liabilities will be valued in accordance with the Articles of Incorporation and as further specified in Sub-Fund Specific Information sections.
<b>VaR</b>	Value-at-Risk, a method of calculation of global exposure approach as detailed in applicable laws and regulations including but not limited to Circular CSSF 11/512, as amended from time to time and further described in section 4.4 Global exposure approach.
<b>2010 Law</b>	The Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time.
<b>2012 Law</b>	The Luxembourg Law of 21 December 2012 transposing Directive 2010/78 / EU of the European Parliament and of the Council of 24 November 2010 amending Directives 98/26 / EC, 2002/87 / EC, 2003/6 / EC, 2003/41 / CE, 2003/71 / CE, 2004/39 / CE, 2004/109 / CE, 2005/60 / CE, 2006/48 / CE, 2006/49 / CE and 2009/65 / CE with regard to the skills of the European Supervisory Authority (European Banking Authority), the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority), as amended from time to time.

## 1.2 Preface

Lancelot Asset Management SICAV (previously Lancelot Ector) is registered pursuant to Part I of the 2010 Law and the law of 10th August 1915 on commercial companies, as amended. The registration however does not imply approval by any Luxembourg authority of the content of this Prospectus or the portfolio of securities held by the Fund. Any

representation to the contrary is unauthorised and unlawful.

The Fund is structured as an umbrella investment fund with a view to providing investors with one or more Sub-Funds invested in specific assets, as further detailed in the Sub-Fund Specific Information sections.

The Fund has appointed FundRock Management Company S.A as its management company (the **"Management Company"**), as further detailed in section 1.4 "Organisation of the Fund".

## Prospectus and other Fund documents

This Prospectus is valid only if accompanied by the latest KID, the latest Articles of Incorporation, the latest annual report, and also the latest semi-annual report if this was published after the latest annual report. These documents shall be deemed to form part of this Prospectus.

Prospective investors shall be provided with the latest version of the KID in good time before their proposed subscription for Shares. Depending on applicable legal and regulatory requirements (including but not limited to MIFID) in the countries of distribution, additional information on the Fund, the Sub-Funds and the Shares may be made available to investors under the responsibility of local intermediaries/distributors.

This Prospectus has been prepared solely for, and is being made available to, investors for the purposes of evaluating an investment in Shares. Investors should only consider investing in the Fund if they understand the risks involved including the risk of losing all capital invested. Potential investors should thus read and consider the risk factors in Chapter 4 "Risk Management Systems and Risk Factors", before investing in the Fund, and also inform themselves as to the possible tax consequences, the legal requirements and any 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, holding, conversion, redemption or disposal of Shares. Further tax considerations are set out in Chapter 9 "Tax Considerations".

This Prospectus does not constitute an offer or solicitation to subscribe for Shares by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

It is thus the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for subscription for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Further selling restrictions considerations are set out below.

All the statements made in this Prospectus are based on the law and regulatory practice currently in force in the Grand Duchy of Luxembourg and are subject to changes in such law and regulatory practice. For the avoidance of doubt, the authorisation and qualification of the Fund as UCITS do not imply any positive appraisal by the CSSF and any other Luxembourg authority of the contents of this Prospectus or the portfolio of assets held by the Sub-Funds. Any representation to the contrary is unauthorised and unlawful.

Prospective investors who are in any doubt about the contents of this Prospectus should consult their bank,

broker, tax or legal adviser, accountant or other professional financial adviser.

This Prospectus has been prepared in English but may be translated into other languages. To the extent that there is any inconsistency between the Prospectus in English version and a version in another language, the Prospectus in English version shall prevail, unless stipulated otherwise by the laws of any jurisdiction in which the Shares are sold.

## United States of America

The Shares have not been, and will not be, registered under the US Securities 1933 Act, any of the securities laws of any of the states of the United States. The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Therefore, the Shares described in this Prospectus may not be offered or sold directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the US Securities 1933 Act. Further, the Shares shall not be offered or sold, directly or indirectly, to any ultimate beneficial owner that constitutes a U.S. Person. As such, the Shares may not be directly or indirectly offered or sold to or for the benefit of a "U.S. Person", which shall be defined as and include (i) a "United States person" as described in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (ii) a "U.S. person" as such term is defined in Regulation S of the US Securities 1933 Act, as amended, (iii) a person that is "in the United States" as defined in Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person that does not qualify as a "Non-United States Person" as such term is defined in U.S. Commodities Futures Trading Commission Rule 4.7.

## Investors Rights

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general meetings of Shareholders if the investor is registered himself and in his own name in the register of Shareholders 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 the Fund. When using an intermediary, investors' rights may be affected in particular being represented by the intermediary in meetings of Shareholders and when receiving indemnification in the event of NAV calculation errors, non-compliance with investment rules and other types of errors at Fund's level. In the latter case, the Fund will provide to the intermediary all the information necessary for the investors to exercise their right to receive payment of indemnification which takes into account their individual situation.

Investors are recommended to take advice on their rights.

### **1.3 General Data Protection**

The Fund and the Management Company, as well as their service providers will hold and process personal data of investors in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as amended from time to time (the "GDPR") along with any implementing legislation and available guidance from competent data protection authorities.

Further information is available in the data protection information on website:

<https://www.fundrock.com/policies-and-compliance/privacy-policy/> (the "Data Protection Information"). The Data Protection Information provides individuals whose personal data are processed by the Fund, the Management Company as well as its/their service providers, with all legally required information regarding the personal data processed about them, the reasons for which their personal data are processed, the identity of service providers with country of residence of such entities and their rights in relation to such processing.

## 1.4 Organisation of the Fund

### REGISTERED OFFICE

5, Heienhaff  
L-1736 Senningerberg  
Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE FUND

Chairperson and Director	Mr Tobias Järnblad, Managing Director, Lancelot Asset Management AB, Stockholm, Sweden
Director	Mr Per Ljungberg, Member of the Board of Directors, Lancelot Asset Management AB, Stockholm, Sweden
Director	Mr Rikard Lundgren, Independent Director, Luxembourg, Grand-Duchy of Luxembourg

### MANAGEMENT COMPANY

FundRock Management Company S.A.  
5, Heienhaff  
L-1736 Senningerberg  
Grand-Duchy of Luxembourg

Conducting Officers* of the Management Company	Mr. Etienne Rougier, Conducting Officer in charge of Accounting, Portfolio Management, Administration of UCIs, and Marketing
	Mr. Hugues Sebenne, <i>Cloud and Outsourcing Officer</i> , Conducting Officer in charge of IT and Valuation functions
	Mr. Michael Durand (until 31 December 2025)
	Mr. Gerard-Emmanuel Boue (as of 1 January 2026), <i>Responsable du respect des obligations (RR)</i> , Conducting Officer in charge of Compliance, AML/CFT functions, Complaints Handling and Branches functions
*Subject to CSSF's non-objection	Mrs. Ruxandra Avasilcai, <i>Risk Management Officer</i> , Conducting Officer in charge of Risk Management function
Auditor of the Management Company	Deloitte Audit Sàrl 20 Boulevard de Kockelscheuer L-1821 Luxembourg Grand Duchy of Luxembourg

Board of Directors of the Management Company	Mr. Michel Marcel Vareika (Chairman)  Independent Non-Executive Director  Mr. Etienne Rougier*, Executive Director  Mr. Frank de Boer, Executive Director  Ms. Carmel Mc Govern, Independent Non-Executive Director  Dr. Dirk Franz, Independent Non-Executive Director  Mr. Frederic Bilas, Independent Non-Executive Director  *Subject to CSSF's non-objection
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### ADMINISTRATION, SERVICE PROVIDERS AND OTHER MAIN PARTIES

#### Depositary Bank

Skandinaviska Enskilda Banken AB - Luxembourg Branch  
4, rue Peterneichen  
L-2370 Howald  
Grand-Duchy of Luxembourg

#### UCI Administrator

UI efa S.A.  
2, rue d'Alsace  
L-1122 Luxembourg

#### Investment Manager

Lancelot Asset Management AB  
Nybrokajen 7, PO Box 16172  
SE-10323 Stockholm, Sweden

**Global Distributor**

Lancelot Asset Management AB  
Nybrokajen 7, PO Box 16172  
SE-10323 Stockholm  
Sweden

**Statutory auditor of the Fund**

HACA Partners S.à.r.l.  
26, rue des Gaulois  
L-2182 Luxembourg

## 1.5 Other fund structure related information

### The Fund

The Fund is an open-ended UCITS in the legal form of an investment company with variable capital (*société d'investissement à capital variable*), subject to Part I of the 2010 Law.

The Fund has been incorporated as a public limited liability company (*société anonyme*) on 28th February 1996 for an unlimited time. The Fund's Articles of Incorporation have been deposited with the Luxembourg trade and company register, Register de Commerce et des Sociétés ("RCS") under Number B 54.040 and a mention of their deposit with the RCS has been published in the RESA. The last amendment of the Articles of Incorporation was made on 3 March 2025.

A mention of deposit of any amendments of the Articles of Incorporation is made with the RCS and was published in the RESA on 19 March 2025. The legally binding version of the Articles of Incorporation is deposited with the RCS where they are available for inspection and where copies thereof may be obtained. A copy of the Fund's Articles of Incorporation and of its most recent financial statements may also be obtained free of charge upon request at the registered office of the Fund during normal business hours and on the Management Company's website.

The share capital of the Fund corresponds to the total Net Asset Value of the Fund and must at any time after six months after registration as a UCITS exceed in Swedish Krona the equivalent of one million two hundred and fifty thousand euro (EUR 1,250,000).

### The Board of Directors

The Board of Directors is responsible, while observing the principle of risk diversification, for laying down the investment policy of the Fund/Sub-Funds and for monitoring the business activity of the Fund.

### The Management Company

The Fund has appointed SEB Fund Services S.A. as from 1st July 2011 to act as the Management Company of the Fund. SEB Fund Services S.A. was 100% owned by Skandinaviska Enskilda Banken AB (publ). The latter entered into a share purchase agreement with FundRock Management Company S.A., which merged by way of absorption with FundRock Management Company S.A. on the 21 December 2018. In this capacity, the Management Company is vested with the investment management, administration and marketing functions in relation to the Fund in accordance with the 2010 Law.

Further details on the Management Company and the manner according to which it performs and/or has delegated the above-mentioned functions in relation to the Fund are specified in Chapter 2 "Management and Administration of the Fund".

### The Sub-Funds

The Fund has an umbrella structure and therefore consists of at least one Sub-Fund. Each Sub-Fund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Shareholders and third parties.

The rights of Shareholders and creditors concerning a Sub-Fund or which have arisen in relation to the establishment, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. No Sub-Fund will be liable with its assets for the liabilities of another Sub-Fund.

The list of the existing individual Sub-Funds, their denomination and Reference Currency is provided in the Sub-Fund Specific Information sections.

The Board of Directors of the Fund may at any time establish new Sub-Funds with Shares having similar or other characteristics to the Shares in the existing Sub-Funds. If the Board of Directors establishes a new Sub-Fund, the corresponding details shall be set out in this Prospectus.

### The Classes and categories of Shares

The Shares in the Sub-Funds may be divided into several Classes of Shares. Each Class may be subdivided into (i) accumulation of income and/or different distribution of income categories and/or (ii) hedged and/or un-hedged categories and/or (iii) different investment currencies, and /or other characteristics (each a "Category")".

The Board of Directors may at any time create and issue new Classes or categories of Shares within any Sub-Fund. The Prospectus shall detail within each Sub-Fund the Classes and categories of Shares that the Board of Directors can create. A new Class or category of Shares may have different characteristics than the currently existing Classes or categories.

Further information about the characteristics and the rights attached to each possible Class or Category of Shares and of any offering of new Classes or Category of Shares is provided in Chapter 5 "Shares" and Sub-Fund Specific Information sections. Information about the performance of the Classes of Shares is contained in the KID.

## 1.6 Financial Year

The financial year of the Fund starts on 1 January of each year and ends on 31 December of each year.

The audited annual reports of the Fund will be published within four (4) months after the financial year-end and the unaudited semi-annual reports of the Fund will be published within two (2) months after the end of the relevant period to which they refer. Such reports will be made available to investors on request and free of charge at the registered office of the Fund during normal business hours.

## 1.7 Accounting Standards

The Fund's financial statements will be prepared and the Net Asset Value calculated in accordance with Luxembourg GAAP.

Subject to the requirements set forth by the 2010 Law, the Management Company is authorised to delegate under its responsibility and supervision part or all of its functions and duties to third parties.

## 1.8 Fund Currency

The consolidated Reference Currency of the Fund is SEK (Swedish Krona, the legal currency in the Kingdom of Sweden). The Reference Currency in which the performance and the Net Asset Value of each Class of Shares of a given Sub-Fund is calculated and expressed is specified in its Sub-Fund Specific Information section.

### 2.1.1 Other funds managed by Management Company

As of the date of the Prospectus, the Management Company manages in addition to the Fund other undertakings for collective investment, including alternative investment funds, the list of which is available at the registered office of the Management Company and on its website (<https://www.fundrock.com/funds>).

### 2.1.2 Remuneration Policy

The Management Company applies a remuneration policy and practice that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile and Articles of Incorporation.

Furthermore, the remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS and includes measures to avoid conflicts of interest.

The remuneration policy reflects the Management Company's objectives for good corporate governance as well as sustainable and long-term value creation for investors. Fixed and variable components of total remuneration are appropriately balanced, and the fixed remuneration 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.

Where, and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The Management Company complies with the remuneration principles described above in a way and to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

The principles of the remuneration policy are reviewed on a regular basis and adapted to the evolving regulatory framework.

## 2. Management and Administration of the Fund

### 2.1 Management Company

The Board of Directors of the Fund has designated FundRock Management Company S.A to act as its management company under the terms of the Management Company Services Agreement entered into on 1st July 2011 for an indefinite period of time.

The Management Company was incorporated on the 10th of November 2004 in the Grand Duchy of Luxembourg as a "société anonyme" in Luxembourg under the name of "RBS (Luxembourg) S.A.". With effect from 31st December 2015, it changed its name to FundRock Management Company S.A. unlimited period and is registered with the Luxembourg trade and company register, *Registre de Commerce et des Sociétés*, under no. RCS number: B 104.196. The Management Company has its registered office at 5, Heienhaff, L-1736 Senningerberg, Luxembourg.

The latest version of the articles of incorporation of the Management Company was published on 13 February 2025 in the *Mémorial C*, official gazette of the Grand-Duchy of Luxembourg.

The subscribed and fully paid up capital of the Management Company amounts to EUR 10,000,000. as at 1<sup>st</sup> December 2015 and is in accordance with the provisions of the 2010 Law. The last amendment of the articles was published on 06 February 2025.

The Management Company is authorised as a management company in accordance with the provisions of Chapter 15 of the 2010 Law and is supervised by the CSSF. It is registered on the official list of Luxembourg management companies governed by Chapter 15 of the 2010 Law.

Under the supervision of the Board of Directors of the Fund, the Management Company is responsible on a day-to-day basis for providing investment management, administration and marketing services in respect of all Sub-Funds of the Fund.

Further information on the remuneration policy of the Management Company is available at <https://www.fundrock.com/policies-and-compliance/remuneration-policy/>, which includes in particular a description of the calculation methods of remuneration and benefits for specific employee categories as well as the identification of the persons responsible for the allocation, including if applicable the members of the remuneration committee. Upon request, the Management Company will provide such information free of charge in paper form to Shareholders of the Fund.

## 2.2 Investment Managers

The Board of Directors has designated the Management Company to perform the investment management function.

The Management Company may, however, under its responsibility, control and supervision, and subject to the approval of its competent authority appoint one or more Investment Managers to perform the investment management function and implement the investment policy of one or several Sub-Funds. In this respect, any appointed Investment Manager will perform the day-to-day management of the assets of one or more Sub-Funds and take the related investment and divestment decisions.

The Investment Manager may in accordance with the provisions of the Investment Management Agreement between the Management Company and the Investment Manager, and subject to the approval of its competent authority appoint one or more Sub-Investment Managers to perform the day-to-day management of the assets of a Sub-Fund and take the related investment and divestment decisions.

A list of all appointed Investment Manager (s) and Sub-Investment Manager(s) (if any), irrespective of the related Sub-Funds, is provided under the section 1.4 Organisation of the Fund. The Investment Manager(s) and Sub-Investment Manager(s) (if any) appointed per Sub-Fund are indicated in the Sub-Fund Specific Information sections.

## 2.3 Depositary, Sub-Custodians and Paying Agent

The Depositary of the Fund is Skandinaviska Enskilda Banken AB – Luxembourg Branch, with its registered office at 4, rue Peternechen, L-2370 Howald, Grand-Duchy of Luxembourg. The Depositary is a branch of Skandinaviska Enskilda Banken AB (publ), a credit institution incorporated under and pursuant to the laws of Sweden and registered with the Swedish Companies Registration Office under number 502032-9081 with registered office address at 106 40 Stockholm, Sweden ("SEB AB"). SEB AB is subject to the prudential supervision of the Swedish Financial Supervisory Authority, Finansinspektionen. The Depositary is furthermore supervised by the CSSF, in its role as host member state authority.

Taking into consideration the Articles of Incorporation and this Prospectus, the rights and obligations of the Depositary are governed by the 2010 Law, the applicable regulations and the Depositary Agreement. The Depositary acts honestly, fairly, professionally and independently of the Management Company and solely in the interest of the investors.

On behalf of and in the interests of the Shareholders, the Depositary is in charge of (i) the safekeeping of cash and securities comprising the Fund's assets, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the Depositary Agreement.

Under its oversight duties, the Depositary will:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Fund are carried out in accordance with the 2010 Law and with the Fund's Articles of Incorporation,
- ensure that the value of Shares is calculated in accordance with the 2010 Law and the Fund's Articles of Incorporation,
- carry out the instructions of the Fund or of the Management Company acting on behalf of the Fund, unless they conflict with the 2010 Law or the Fund's Articles of Incorporation,
- ensure that in transactions involving the Fund's assets, the consideration is remitted to the Fund within the usual time limits,
- ensure that the income of the Fund is applied in accordance with the 2010 Law or the Fund's Articles of Incorporation.

The Depositary will also ensure that cash flows are properly monitored in accordance with the 2010 Law and the Depositary Agreement.

Pursuant to the Articles of Incorporation, the Depositary Agreement and the applicable regulations, the Depositary may delegate some of its duties to third parties ("sub-custodians").

An up-to-date overview of sub-custodians can be found on the Depositary's website <https://sebgroup.lu/globalcustodynernetwork>.

Upon request, the Management Company will provide investors with the latest information regarding the identity of the Fund's Depositary, the Depositary's obligations and any conflicts of interest that could arise and with a description of all depositary functions transferred by the Depositary, the list of sub-custodians and information on any conflicts of interest that could arise from the transfer of functions.

The appointment of the Depositary and/or sub-custodians may cause potential conflicts of interest, which are described in more detail in Chapter 10 "Conflicts of interest".

## 2.4 UCI Administrator

The UCI Administrator of the Fund is UI efa S.A., with its registered office at 2, rue d'Alsace L-1122 Luxembourg.

The UCI administration activity may be split into 3 main functions: the registrar function, the NAV calculation and accounting function, and the client communication function.

The registrar function encompasses all tasks necessary to the maintenance of the Fund register and performs the registrations, alterations or deletions necessary to ensure its regular update and maintenance.

The NAV calculation and accounting function is responsible for the correct and complete recording of transactions to adequately keep the Fund's books and records in compliance with applicable legal, regulatory and contractual requirements as well as corresponding accounting principles. It is also responsible for the calculation and production of the NAV of the Fund in accordance with the applicable regulation in force.

The client communication function is comprised of the production and delivery of the confidential documents intended for investors.

Under its own responsibility and control, the UCI Administrator may delegate various functions and tasks to other entities which have to be qualified and competent for performing them in accordance with the applicable regulation(s) in force. In case one or several functions are delegated, the name of the appointed entities can be found in section 1.4 "Organisation of Fund".

## **2.5 Global Distributor, Distributor, Sub-Distributor**

The Management Company entered into a Global Distribution Agreement with Lancelot Asset Management AB, with its registered office in Nybrokajen 7, PO Box 16172, SE-10323 Stockholm, Sweden, pursuant to which the latter acts as Global Distributor to the Fund. The Global Distributor is entitled to delegate all or part of its duties to one or several Sub-Distributors. To the extent described in the agreement(s), the Distributor(s) may enter into distribution agreements with any professional agent, particularly banks, insurance companies, fund platforms, independent managers, brokers, management companies or any other institution whose primary or secondary activity is the distribution of investment funds and customer service.

Distributors are authorised to receive subscription orders, redemption orders and conversion orders for each Sub-Fund and will send them to the relevant entity in charge of the registrar function.

The Global Distributor and/or any authorised Distributors shall only sell Shares of the Sub-Fund in countries where these Shares are authorised for sale.

## **2.6 Statutory Auditors**

The approved statutory auditor of the Fund's annual financial statements as appointed by the General Meeting of Shareholders is HACA Partners S.à.r.l, an entity subject to the supervision of the CSSF.

# **3. Investment Objectives, Policies and Restrictions**

## **3.1 Investment objective and policy**

Each Sub-Fund has a specific investment objective and policy more fully described in the Chapter 19 "Sub-Fund Specific Information". The investments of each Sub-Fund must comply with the provisions of the 2010 Law as well as the ESMA requirements for risk monitoring and management.

The investment restrictions and policies set out in this section apply to all Sub-Funds, without prejudice to any specific rules adopted for a Sub-Fund, as described in its Sub-Fund Specific Information section where applicable. The Board of Directors may impose additional investment guidelines for each Sub-Fund from time to time, for instance where it is necessary to comply with local laws and regulations in countries where Shares are distributed. In the case of any detected violation of the 2010 Law at the level of a Sub-Fund, the Management Company/Investment Manager must make compliance with the relevant policies a priority in its securities trades and management decisions for the Sub-Fund, taking due account of the interests of Shareholders.

The investment restrictions and diversification rules set out at the level of the Fund in this section apply to each Sub-Fund individually, and all asset percentages are measured as a percentage of the total net assets of the relevant Sub-Fund.

## **3.2 Authorised investments**

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

(A) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.

(B) Transferable Securities and Money Market Instruments dealt in on another Regulated Market in a Member State which is regulated, which operates regularly and is recognised and open to the public.

(C) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State or dealt in on another Regulated Market in a non-Member State which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or market has been provided for in the Articles of Incorporation.

(D) Recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market referred to in paragraphs (A) to (C) of this section, and that such admission is secured within one year of issue.

(E) Shares or units of UCITS or other UCIs, whether or not established in a Member State provided that:

(1) such other UCI are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Law and the 2012 Law, and that cooperation between authorities is sufficiently ensured;

(2) the level of protection for shareholders or unitholders in such other UCI is equivalent to that provided for shareholders or unitholders in a UCITS, and in particular, the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;

(3) the business of the other UCI is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period.

(4) no more than 10% of the net assets of the UCITS or the other UCI whose acquisition is contemplated, can be, according to their articles of incorporation or management regulations, invested in aggregate in shares or units of other UCITS or other UCI;

(5) the Sub-Funds may not invest in units of other UCITS or other UCIs for more than 10% of their net assets, unless otherwise provided in respect of particular Sub-Funds in the Sub-Fund Specific Information sections;

(6) 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 Article 43 of the 2010 Law;

(7) where a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the UCITS investment in the units of such other UCITS and/or other UCIs;

(8) a Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in its Sub-Fund Specific Information section the maximum level of the management fees that may be charged both to the UCITS itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report it shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

(F) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or if the credit institution has its registered office in a non- Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Law and the 2012 Law.

(G) Financial derivative instruments, including equivalent cash settled instruments, dealt in on a Regulated Market or another Regulated Market referred to in paragraphs (A) to (C) of this section, and / or financial derivative instruments dealt in OTC provided that:

(1) the underlying consists of instruments covered by this section, financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective;

(2) the counterparties to OTC financial derivatives are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and

(3) the OTC financial 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 initiative of the Fund / Sub-Fund.

(H) Money Market Instruments other than those dealt in on a Regulated Market or on another Regulated Market referred to in paragraphs (A) to (C) of this section, if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

(1) issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in 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

(2) issued by an undertaking any securities of which are dealt in on a Regulated Market or another Regulated Market referred to in paragraphs (A) to (C) of this section, or

(3) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU Law and the 2012 Law, or by an establishment which is subject to and comply with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU Law; or

(4) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in paragraphs (H)(1) to (H)(3) of this section and provided that the issuer is a company whose capital and reserves amount to at least to ten million Euro (EUR 10,000,000) and which presents and publishes its annual financial statements in accordance with Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

Moreover, the Fund may acquire movable and immovable property which is essential for the direct pursuit of its business.

The Fund is authorised for each of its Sub-Funds to employ techniques and instruments relating to Transferable Securities and Money Market Instruments under the conditions and within the limits laid down by the CSSF provided that such techniques and instruments are used for the purpose of efficient portfolio management. When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the Articles of Incorporation as well as in this Prospectus. Under no circumstances shall these operations cause the Fund to diverge, for any Sub-Fund, from its investment objectives as laid down, the case being for the relevant Sub-Fund, in the Articles of Incorporation or in this Prospectus.

### **3.3 Unauthorised investments**

The Sub-Funds may not acquire commodities or precious metals or certificates representing them or hold any right or interest therein. Investments in financial instruments linked to, or backed by the performance of, commodities or precious metals, or any right or interest therein, do not fall under this restriction.

The Sub-Funds may not invest in real estate or hold any right or interest in real estate. Investments in financial instruments linked to, or backed by the performance of, real estate or any right or interest therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, do not fall under this restriction.

The Sub-Funds may not grant loans or guarantees in favour of a third party. Such restriction will not prevent any Sub-Fund from investing in Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI, or financial derivative instruments referenced in section 3.2 "Authorised Investments" which are not fully paid-up. Furthermore, such restriction will not prevent any Sub-Fund from entering into buy-sell back transactions.

The Sub-Funds may not enter into uncovered sales of Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 3.2 "Authorised Investments".

## **3.4 Investment restrictions**

### **3.4.1 Diversification requirements**

To ensure diversification, a Sub-Fund cannot invest more than a certain percentage of its assets in one issuer or single body. These diversification rules do not apply during the first six (6) months of a Sub-Fund's operation, but the Sub-Fund must observe the principle of risk spreading.

For the purposes of this section, companies that draw up consolidated financial statements, in accordance with Directive 2013/34/EU or with recognised international accounting rules, are considered to be a single issuer.

1. The Sub-Funds may invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued by the same body and cannot invest more than 20% of its net assets in deposits made with the same entity.
2. The total value of the Transferable Securities and Money Market Instruments held by a Sub-Fund in the issuing bodies in which it invests more than 5% of its net assets shall not exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC financial derivative transactions made with financial institutions subject to prudential supervision. The risk exposure to a counterparty of the Fund in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in Article 41(1)(f) of the 2010 Law, or 5% of its assets in other cases (article 43(1) of the 2010 Law).
3. Notwithstanding the individual limits set in paragraph 1. above, a Sub-Fund shall not combine, where this would lead it to invest more than 20% of its net assets in a single body, any of the following:
  - investments in Transferable Securities or Money Market Instruments issued by the said body;
  - deposits with the said body, or;
  - risks related to transactions involving OTC financial derivative instruments with the said body.

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.

4. The 10% limit defined in the first sentence of paragraph 1 above may be raised to a maximum of 35% when the Transferable Securities or the Money Market Instruments are issued or guaranteed by a Member State, by its local authorities, by a third state or by international public bodies of which one or more Member States are member.

5. The 10% limit defined in the paragraph 1 above may be raised to a maximum of 25% for certain debt securities, when they are issued by a credit institution having 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 law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. When a Sub-Fund invests more than 5% of its net assets in qualifying debt securities issued by a single issuer, the total value of the investments may not exceed 80% of the value of the net assets of such Sub-Fund.
6. The Transferable Securities and Money Market Instruments mentioned in paragraph 4. and 5. above are not accounted for when applying the 40% limit mentioned in paragraph 2. above.
7. **The Fund may further invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk-spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, its local authorities, a non-Member State of the OECD such as the United States, or of the Group of twenty (G20), Singapore or Hong Kong, or, accepted by the CSSF and specified in this Prospectus, or public international bodies to which one or more Member State(s) belong; provided that in such event, the Sub-Fund concerned must hold securities from at least six (6) different issues, but securities from any single issue shall not account for more than 30% of the Sub-Fund's net assets.**
8. No more than 20% of the net assets of a Sub-Fund can be invested in the units of a single UCITS or other UCI. Each sub-fund of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.
9. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a UCITS.
10. The limits set out in the previous paragraphs 1,2,3,4,5, 8 and 9 may not be combined and therefore the investments in Transferable Securities or Money Market Instruments of a single issuer, in deposits or financial derivatives instruments involving this entity, in conformity with these paragraphs, shall not exceed a total of 35% of the net assets of the Sub-Fund in question.
11. Each Sub-Fund may invest cumulatively up to 20% of its net assets in the Transferable Securities or Money Market Instruments within the same group.
12. A Sub-Fund (the "Investing Sub-Fund") may invest in one or more other Sub-Funds. Any acquisition of shares of another Sub-Fund (the "Target Sub-Fund") by the Investing Sub-Fund is subject to the following conditions:
  - the Target Sub-Fund may not invest in the Investing Sub-Fund;
  - the Target Sub-Fund may not invest more than 10% of its net assets in UCITS (including other Sub-Funds) or other UCIs;
  - the voting rights attached to the shares of the Target Sub-Fund are suspended during the investment by the Investing Sub-Fund; and
  - the value of the share of the Target Sub-Fund held by the Investing Sub-Fund are not taken into account in the calculation of the Fund's net assets for verification of the minimum threshold of net assets imposed by the 2010 Law.
13. When a Sub-Fund's investment policy allows it to invest via Total Return Swaps in shares or units of UCITS and/or other UCIs, the 20% limit defined in paragraph 8 above also applies, such that the potential losses resulting from this kind of swap contract creating an exposure to a single UCITS or UCI, together with direct investments in this single UCITS or UCI, will not in total exceed 20% of the net assets of the Sub-Fund in question. If these UCITS are Sub-Funds of the Fund, the swap contract needs to include provisions for cash settlement.
14. The limits specified in 1 and 3 above are raised to a maximum of 20% for investments in shares and / or debt securities issued by a single body when, in accordance with the investment policy of a Sub-Fund, its objective is to replicate the composition of a specific index of equities or debt securities that is recognised by the CSSF, on the following bases:
  - the composition of the index is sufficiently diversified;
  - the index is a representative benchmark for the market to which it refers;
  - it is published in an appropriate manner.
15. The holding of ancillary liquid assets which is limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time is limited to 20% of the net assets a UCITS, except temporarily exceedances due to exceptionally unfavourable market conditions.

16. The Sub-Funds shall not invest more than 10% of assets in transferable securities or money market instruments other than those referred to in section 3.2 "Authorised Investments".

### **3.4.2 Limits to prevent concentration of ownership**

The limits to prevent significant concentration of ownership are intended to prevent the Fund or a Sub-Fund from the risks that could arise (for itself or an issuer) if it were to own a significant percentage of a given security or issuer. A Sub-Fund does not need to comply with the investment limits described above when exercising subscription rights attaching to Transferable Securities or Money Market Instruments that form part of its assets, so long as any violations of the investment restrictions resulting from the exercise of subscription rights are remedied.

The Fund may not acquire across all the Sub-Funds together:

1. shares carrying voting rights which would enable the Fund to exercise significant influence over the management of the issuing body;
2. more than:
  - a. 10% of the non-voting shares of the same issuer;
  - b. 10% of the debt securities of the same issuer;
  - c. 10% of the Money Market Instruments of the same issuer;
  - d. 25% of the outstanding shares or units of any one UCITS and/or UCI.

The limits laid down in paragraphs 2 (b), (c) and (d) above 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 restrictions mentioned in paragraphs 1 and 2 above are not applicable to:

- Transferable securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, or by a non-Member State;
- Transferable securities and Money Market Instruments issued by international public bodies of which one or more Member States are members;

- Shares held in the capital of a company incorporated under or organised pursuant to the laws of a non-Member State, or of any state of America, Africa, Asia and Oceania, provided that such company invests its assets mainly in the securities of issuers of that state, pursuant to the laws of that state such a holding represents the only way in which the Fund can invest in the securities of issuing bodies in that state. This derogation is, however, only applicable when this state respects in its investment policy the restrictions set forth under articles 43, 46 and 48 (1) and (2) of the 2010 Law;

Shares held by one or more investment companies in the capital of subsidiary companies which, exclusively on behalf of the Fund carry on only the business of management, advising, or marking in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

## **3.5 ESG and Sustainability Considerations**

### **SUSTAINABILITY RISKS**

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR") requires transparency with regard to the integration of evaluations of environmental, social or governance (the "ESG") events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investments made by a financial product (the "Sustainability Risks") and consideration of adverse sustainability impacts of the actions financial products and financial market participants.

More information on the incorporation of Sustainability Risks and opportunities into day-to-day business operations are to be found on: <https://www.lancelot.se/fonder/lancelot-stabil>

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

Specific information on the risks of investing (including Sustainability Risks, where applicable) can be found in the relevant Sub-Fund Specific Information Section.

## **LEGAL RISK ASSOCIATED WITH SFDR AND TAXONOMY REGULATION**

The Fund seeks to comply with all legal obligations applicable to it but notes there may be challenges in meeting all the requirements of SFDR and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "Taxonomy Regulation") as they are introduced due to both delays in implementation of the legislation and lack of clarity.

The Fund may be required to incur costs in order to comply with these new requirements during the initial implementation phase and may also be required to incur further costs as the requirements change and further elements are introduced. If there are adverse political developments or changes in government policies as the implementation phase progresses this increases the likelihood of such changes to the relevant legal measures. These elements could impact on the viability of the Fund and its returns.

## **3.6 Investments in financial derivative instruments and use of efficient portfolio management techniques**

A Sub-Fund may, subject to the conditions and within the limits laid down in the Luxembourg regulations and the provisions of this Prospectus:

- invest in financial derivative instruments for investment purposes, for efficient portfolio management or to provide protection against risks (market, securities, interest rate, credit and other risks) and/or
- enter into securities financing transactions (i.e. buy-sell back transactions, sell-buy back transactions) or any other efficient portfolio management transactions as covered by the SFTR,

as further described for each Sub-Fund in the Sub-Fund Specific Information sections.

The Sub-Fund may participate in both the on-exchange and OTC derivatives (excluding total return swaps or financial derivative instruments with similar characteristics) to hedge the returns from the underlying assets.

Derivatives contracts may involve the Sub-Fund in long term performance or financial commitments, which may be magnified by leverage and changes in the market value of the underlying. Leverage means that the initial consideration for entering the transaction is considerably less than the face value of the subject matter of the contract. If a transaction is leveraged a relatively small market movement will have a proportionately larger impact on the value of the investment to the Sub-Fund, and this can work against the Sub-Fund as well as for it.

There can be no assurance that the objective sought to be obtained from the use of the derivatives will be achieved.

Investors should note that the investment policy of the Sub-Fund currently does not provide for the possibility to enter into securities financing transactions (i.e. repurchase transactions, securities lending, buy-sell back transactions or sell-buy back transactions) or any other efficient portfolio management transactions and/or to invest in Total Return Swaps, as covered by the SFTR.

Should the Sub-Fund decide to provide for such possibility, the Prospectus should be updated prior to the entry into force of such decision in order for the Sub-Fund to comply with the regulatory disclosure requirements.

### **3.6.1 Financial Derivative Instruments**

A Sub-Fund may use financial derivative instruments for the purposes and to the extent further disclosed in its Sub-Fund Specific Information section.

### **3.6.2 Management of collateral and collateral policy**

#### **1. General**

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

#### **2. Eligible collateral**

Collateral received by the Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in the regulations 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:

- Liquidity and issuer credit quality – any collateral received other than cash shall be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
- Valuation – collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place;
- Correlation – the collateral received by the Fund shall be issued by an entity that is independent from the counterpart and is expected not to display a high correlation with the performance of the counterpart;

- Collateral diversification (asset concentration)
  - collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterpart of efficient portfolio management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the respective Sub-Fund's net asset value. When the Fund is exposed to different counterparts, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. In such a case, the Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the respective Sub-Fund's net asset value. The list of eligible jurisdictions includes, but is not limited to, Canada, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States of America;

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

- it should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty;
- Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the risk management process;

- Where there is a title transfer, the collateral received shall be held by the depositary of the Fund. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

### 3. Level of collateral

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

### 4. Re-investment policy

For the time being, the Fund will receive only cash as a collateral. The cash collateral will only be placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive. Cash collateral received by the Fund shall neither be re-invested nor pledged.

#### 3.6.3 Information in financial report

The following information will be disclosed in the Fund's annual financial report:

- the exposure of each Sub-Fund obtained through techniques for efficient portfolio management;
- the identity of the counterparties for these techniques for efficient portfolio management;
- the relationship of these counterparties with the Management Company, the relevant Investment Manager or the Depositary;
- the type and amount of collateral received by the Sub-Funds to decrease exposure to counterparty risk;
- the revenues deriving from efficient portfolio management techniques for the whole reporting period, with the direct and indirect operational costs and fees borne;
- the identity of the entities to which such costs and fees are paid; and
- any other information required by SFTR.

The Management Company ensures that appropriate safeguards against conflicts of interest have been adopted so as to allow an independent performance of risk management activities, and that its risk management process satisfies the requirements of Article 42 of the 2010 Law.

The permanent risk management function is responsible for:

- implementing the risk management policy and procedures;
- ensuring compliance with the Fund's risk limit system concerning global exposure and counterparty risk in accordance with articles 46, 47 and 48 of CSSF Regulation 10-4;

## 4. Risk Management Systems and Risk Factors

### 4.1 Permanent risk management function

In accordance with CSSF Regulation 10-04, the Management Company must establish and maintain a permanent risk management function. This permanent risk management function is hierarchically and functionally independent from operating units.

- providing advice to the Board of Directors as regards the identification of the risk profile of the Fund / Sub-Fund;
- providing regular reports to the Board of Directors and, where it exists, the supervisory function, on:
  - o the consistency between the current levels of risk incurred by the Fund and its risk profile,
  - o the compliance of the Fund with relevant risk limit systems,
  - o the adequacy and effectiveness of the risk management process, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies;
- providing regular reports to senior management outlining the current level of risk incurred by the Fund and any actual or foreseeable breaches of their limits, so as to ensure that prompt and appropriate action can be taken;
- reviewing and supporting, where appropriate, the arrangements and procedures for the valuation of OTC financial derivatives as referred to in Article 49 of CSSF Regulation 10-4.

The permanent risk management function has the necessary authority and access to all relevant information necessary to fulfil the tasks set out above.

## 4.2 Concept of Risk Profile

Article 13(3)(c) of CSSF Regulation 10-4 requires the permanent risk management function of Management Companies to provide advice to the board of directors as regards the definition of the risk profile of each managed UCITS. Circular CSSF 11/512, as amended from time to time, specifies that the Management Company must define, for each managed UCITS, a risk profile resulting from a process of risk identification which considers all risks that may be material for the managed UCITS. This risk profile must then be approved by the board of directors of the Management Company before launching the UCITS.

In accordance with Article 45(2)(d) of CSSF Regulation 10-4, the Management Company must also establish, implement and maintain a documented system of internal limits concerning the measures used to manage and control the relevant risks to which the Fund is exposed, considering all risks which may be material to the Fund as referred to in Article 43 of said regulation and ensuring consistency with the Fund risk profile.

The risk profile must be updated in the context of a decision of the Board of Directors, whenever it is impacted by a material modification.

## 4.3 Risk Management Policy

In accordance with the 2010 Law and CSSF Regulation 10-4 as regards risk management, the Management Company must employ a risk management policy which enables it to monitor and measure at any time the risk of the positions in the Funds' portfolios and their contribution to the overall risk profile of these portfolios.

The Management Company has accordingly implemented a risk management policy which will be followed in relation to the Fund. The risk management policy enables the Management Company to assess the exposure of the Sub-Funds to market, liquidity and counterparty risks, and to all other risks, including operational risks and sustainability risks, which are material for each Sub-Fund. The directors of the Management Company will review such risk management policy at least annually.

The Fund deploys a risk management policy which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each individual Sub-Fund. Furthermore, the Fund deploys a process for accurate and independent assessment of the value of OTC financial derivative instruments which is communicated to the CSSF on a regular basis in accordance with Luxembourg Law.

Upon request of investors, the Management Company can provide supplementary information relating to the risk management policy.

## 4.4 Global Exposure Approach

The Fund and the Management Company will deploy a risk-management policy which enables them to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Fund and / or the Management Company will deploy if applicable, a process for accurate and independent assessment of the value of any OTC financial derivative instruments.

There are three possible risk measurement approaches, as described below. The Management Company chooses which approach each Sub-Fund will use, based on the Sub-Fund's investment strategy. Where a Sub-Fund's use of derivatives is mostly for hedging and efficient portfolio management purposes, the commitment method is usually used. Where a Sub-Fund may use derivatives extensively, absolute VaR is usually used, unless the Sub-Fund is managed with respect to a benchmark, in which case relative VaR is usually used.

The Board of Directors can require a Sub-Fund to use an additional approach (for reference only, however, not for purposes of determining compliance), and can change the approach if it believes the current method no longer adequately expresses the Sub-Fund's overall market exposure.

Approach	Description
Absolute Value-at-Risk (Absolute VaR)	The Sub-Fund estimates the level which the loss on its Net Asset Value over a 1-month time frame (meaning 20 trading days) may exceed with a 1% probability in normal market conditions. This estimated level should not be higher than 20%.
Relative Value-at-Risk (Relative VaR)	The ratio of the Sub-Fund's Absolute VaR over the Absolute VaR of a chosen benchmark (typically an appropriate market index or combination of indices) should not exceed 200%.
Commitment	The Sub-Fund calculates all derivatives exposures as if they were direct investments in the underlying positions. This allows the Sub-Fund to include the effects of any hedging or offsetting positions as well as some positions taken for efficient portfolio management where applicable. The exposure calculated using this approach should not exceed 100% of total assets.

The Sub-Fund uses the commitment approach.

#### 4.5 Concept of Leverage

The expected / maximum level of leverage per Sub-Fund for which a VaR risk measurement approach is used for the Sub-Fund's global risk exposure and which is calculated by using the "Sum of Notionals" of the derivatives used is set out in Sub-Fund Specific Information sections.

The "Sum of Notionals" calculation shows the total sum of the principal values of all derivatives used by the Sub-Fund, not taking into account any netting of derivative positions, whereas the commitment calculation converts each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that financial derivative instrument.

Investors should note that the expected level of leverage is an estimate only and there is possibility of higher leverage levels in certain circumstances, e.g. where a Sub-Fund's Investment Manager may make more extensive use of financial derivative instruments for investment purposes (within the limits of each Sub-Fund's investment objective) as opposed to a more limited use for hedging purposes. Such circumstances are further detailed in Sub-Fund Specific Information sections.

An expected level of leverage does not necessarily represent an increase of risk in the Sub-Fund as some of the derivative instruments used may even reduce the risk. Shareholders should note that the "Sum of Notionals" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g. being either hedging or investment purposes.

The "Sum of Notionals" calculation typically results in a higher leverage figure than for the commitment approach calculation predominantly due to the exclusion of any netting and/or hedging arrangements.

This may be varied within applicable limits if considered to be in the best interests of the Sub-Fund.

Investors' attention is drawn to the fact that such methodology is different to the risk measurement approaches described herein and that as a consequence, in some instances, this could result in a Sub-Fund having a more restrictive use of financial derivative instruments than what it is allowed, based on the limits outlined above. However, the maximum expected exposure is not expected to impact the achievement of the investment objectives of the relevant Sub-Funds.

Upon request, the Management Company can provide further information about each Sub-Fund's risk measurement approach, including how this approach was chosen, the related quantitative limits and the recent state and behaviour of the risks and returns of the main categories of instruments.

#### 4.6 Risk Factors

All investments involve risks and the risks involved when investing in a Sub-Fund may vary depending on the investment policy and strategies of the Sub-Fund.

The risk descriptions below correspond to the risk factors named in the Sub-Fund Specific Information sections. To permit the risks to be read properly in connection with any Sub-Fund's named risks, each risk is described as for an individual Sub-Fund.

The risk information in this Prospectus is intended to give an overview of the main and material risks associated with each Sub-Fund.

Any of these risks could cause a Sub-Fund to lose money, to perform less well than similar investments, to experience high volatility (ups and downs in NAV), or to fail to meet its objective over any period of time.

Investors should also carefully consider all of the information set out in this section as well as the information provided in Chapter 19 "Sub-Fund Specific Information" before making an investment decision in any Sub-Fund. This section does not purport to be a complete explanation of all risks involved in an investment in any Sub-Fund or Class and other risks may also be or become relevant from time to time.

- Market risk

Market risk is understood as the risk of loss for a Sub-Fund resulting from fluctuation in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, foreign exchange rates, or the creditworthiness of the issuer of a financial instrument. This is a general risk that applies to all investments, meaning that the value of a particular investment may go down as well as up in response to changes in market variables. Although it is intended that each Sub-Fund will be diversified with a view to reducing market risk, the investments of a Sub-Fund will remain subject to fluctuations in market variables and the risks inherent in investing in financial markets.

- Currency risk

Currency risk is the risk which arises from potential movements of currency exchange rates. It is the risk which arises from the holding of assets denominated in currencies different from the Sub-Fund's base currency. It may be affected by changes in currency exchange rates between the base currency and these other currencies or by changes in regulations controlling these currency exchange rates. It must therefore be expected that currency exchange risks cannot always be hedged and the volatility of currency exchange rates to which the Sub-Fund is exposed may affect the NAV of the Sub-Fund.

- Equity risk

Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher, because the performance of equity securities depends upon factors which are difficult to predict.

Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies.

The fundamental risk associated with equity portfolios is the risk that the value of the investments it holds might decrease in value. Equity security value may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

- Interest rate risk

Interest rate risk is the risk which arises from potential movements in the level and volatility of yields. The value of investments in bonds and other debt securities or derivative instruments may rise or fall sharply as interest rates fluctuate. As a general rule, the value of fixed-rate instruments will increase when interest rates fall and vice-versa. In some instances, prepayments (i.e. early unscheduled return of principal) can introduce reinvestment risk as proceeds may be reinvested at lower rates of return and impact the performance of the Sub-Fund.

- Leverage risk

Leverage resulting from an extensive use of financial derivatives instruments may increase the volatility of the Sub-Fund's Net Asset Value and may amplify losses which could become significant and potentially cause a total loss of the Net Asset Value in extreme market conditions.

- Volatility risk

The risk of uncertainty of price changes. Usually, the higher the volatility of an asset or instrument, the higher its risk. The prices for Transferable Securities in which the Sub-Funds invest may change significantly in short-term periods.

- Liquidity risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In principle, each Sub-Fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments.

In the case of financial derivative transactions, if a financial derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, a Sub-Fund will only enter into OTC financial derivative instruments if it is allowed to liquidate such transactions at any time at fair value).

Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of the Sub-Fund to meet a redemption request.

- Counterparty risk

Counterparty risk refers to the risk of loss for a Sub-Fund resulting from the fact that the counterparty to a transaction entered into by the Sub-Fund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-Fund. This risk may arise at any time the assets of a Sub-Fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-Fund has deposited cash with a financial institution, or invests into debt securities and other fixed income instruments.

The Fund on behalf of a Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Fund to counterparty risk.

For example, the Fund on behalf of the Sub-Fund may enter into forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to counterparty risk. In the event of a bankruptcy or insolvency of a counterparty, the concerned Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment 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. In such circumstances, investors may be unable to cover any losses incurred. Financial derivative transactions such as swap contracts entered into by the Fund on behalf of a Sub-Fund involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

- Collateral risk

As collateral will take the form of cash, market risk is also relevant.

Collateral received by a Sub-Fund may be held either by the Depositary or by a third-party depositary.

In either case there is a risk of loss as a result of events such as the insolvency or negligence of the Depositary or the sub-depository.

- Credit risk

The risk of loss resulting from a borrower's failure to meet financial contractual obligations, for instance timely payment of interest or principal.

Depending on contractual agreements, various credit events may qualify as default, which include but are not limited to bankruptcy, insolvency, court-ordered reorganisation/liquidation, rescheduling of debts or non-payment of debts payable. The value of assets or derivative contracts may be highly sensitive to the perceived credit quality of the issuer or reference entity. Credit events may adversely affect the value of investments, as the amount, nature and timing of recovery may be uncertain.

- Credit rating risk: The risk that a credit rating agency may downgrade an issuer's credit rating. Investment restrictions may rely on credit rating thresholds and thus have an impact on securities selection and asset allocation. The Investment Managers may be forced to sell securities at an unfavourable time or price. Credit rating agencies may fail to correctly assess the credit worthiness of issuers.

- High yield investment risk: High yield bonds are often more volatile, less liquid and more prone to financial distress than other higher rated bonds. The valuation of high yield securities may be more difficult than other higher rated securities because of lack of liquidity. Investment in this kind of securities may lead to unrealised capital losses and/or losses that can negatively affect the Net Asset Value of the Sub-Fund.

- Distressed and defaulted debt securities risk: Bonds from issuers in distress are often defined as those (i) that have been given a very speculative long-term rating by credit rating agencies or those (ii) that have filed for bankruptcy or expected to file for bankruptcy. In some cases, the recovery of investments in distressed or defaulted debt securities is subject to uncertainty related to court orderings and corporate reorganisations among other things. Companies which issued the debt that has defaulted may also be liquidated. In that context, the fund may receive, over a period of time, proceeds of the liquidation. The received amounts may be subject to a case-by-case specific tax treatment. The tax may be reclaimed by the authority independently from the proceed paid to the Fund. The valuation of distressed and defaulted securities may be more difficult than other higher rated securities because of lack of liquidity. The Sub-Fund may incur legal expenses when trying to recover principal or interest payments. Investment in this kind of securities may lead to unrealised capital losses and/or losses that can negatively affect the Net Asset Value of the Sub-Fund.

- Custody risk

The assets of the Fund and its Sub-Funds shall be held in custody by the Depositary and its sub-custodian(s) and/or broker-dealers appointed by the Fund. Investors are hereby informed that cash and fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the relevant Depositary, sub-custodian(s), other custodian/ third-party bank and/or broker dealer's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganisation proceedings of the Depositary, sub-custodian(s), other custodian / third-party bank or the broker dealer as the case may be. Subject to specific depositor's preferential rights in bankruptcy proceedings set forth by regulation in the jurisdiction of the Depositary, sub-custodian(s), other custodian / third-party bank, or the broker dealer, the Fund's claim might not be privileged and may only rank pari passu with all other unsecured creditors' claims. The Fund and/or its Sub-Funds might not be able to recover all of their assets in full.

- Settlement risk

The risk of loss resulting from a counterparty's failure to deliver the terms of a contract at the time of settlement. The acquisition and transfer of holdings in certain investments may involve considerable delays and transactions may need to be carried out at unfavourable prices as clearing, settlement and registration systems may not be well organised in some markets.

- Operational risk

The operations of the Fund (including investment management) are carried out by the service providers mentioned in this Prospectus. In the event of bankruptcy or insolvency of a service provider, investors may experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

- Legal risk

The Fund may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-Funds and their operations.

In the case of financial derivative transactions, there is also a risk that financial derivative transactions may be terminated, for example because of bankruptcy, irregularity or changes in tax or accounting laws. In such circumstances, the Fund may be required to cover all losses incurred.

In addition, certain transactions are concluded on the basis of complex legal documents.

These documents may be difficult to enforce or may be subject to dispute as to their interpretation in certain circumstances.

Although the rights and obligations of the parties to a legal document may, for example, be governed by Luxembourg law, in certain circumstances (such as insolvency proceedings), other legal systems may apply as a priority, and this can affect the enforceability of existing transactions.

- Sustainability risk

It 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 investment.

The consideration of sustainability factors in the investment decision-making and advisory processes can realise benefits beyond financial markets. It can increase the resilience of the real economy and the stability of the financial system. In so doing, it can ultimately impact on the risk-return of financial products. It is therefore essential that the Prospectus provide the information necessary to enable end investors to make informed investment decisions.

- Investment in securities

Investment in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in currency exchange rates and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments.

- Foreign exchange/currency risk

The Sub-Fund may invest its assets in securities denominated in currencies which will be different from the Sub-Fund's reference currency. The Sub-Fund will be exposed to foreign exchange rate fluctuations with respect to the currencies in which the Sub-Fund's investments are denominated. The Sub-Fund may therefore be exposed to a foreign exchange/currency risk and it may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

## 5. Shares

### 5.1 General Provisions

The Management Company invests money paid to the Fund on behalf of a Sub-Fund and for the account of the Shareholders of the relevant Sub-Fund, in keeping with the principle of risk spreading in Transferable Securities and/or other legally permissible assets in pursuant to Article 41 of the 2010 Law.

The funds invested and the assets acquired thereby constitute the respective Sub-Fund assets, which are held separately from the Management Company's own assets.

The Shares are of no par value and carry no preferential or pre-emptive rights

Registered shares are documented by the inscription of a Shareholder's name by the Registrar in the share register kept on behalf of the Fund. Fractions of registered Shares may be issued to one thousandth of a Share. Written confirmation detailing the purchase of Shares will be sent to Shareholders. Confirmation of entry into the share register shall be sent to the Shareholders at the address specified in the share register. Shareholders are not entitled to the delivery of physical certificates.

Shares of a Sub-Fund may be listed or traded on an official stock exchange or on other markets, in which case the Sub-Fund Specific Information section will provide details.

## 5.2 Subscription and issuance of shares

Shares are issued on each Valuation Day at the issue price based on the Net Asset Value per Share. The issue price may be increased by fees or other charges payable in the countries where the Fund is distributed. Details of the Issue Price shall be available for inspection at the registered office of the Company.

Subscription orders for the acquisition of registered shares may be submitted to the Management Company, the Global Distributor, or a Sub-Distributor.

Complete subscription orders received by the Registrar in charge no later than the cut-off time further specified in the Sub-Fund Specific Information sections on a Valuation Day shall be settled at the issue price of that Valuation Day applicable. In any case, the Management Company ensures that Shares are issued on the basis of a previously unknown Net Asset Value per Share. If, however, an investor is suspected of engaging in Market Timing, the Management Company may reject the subscription order until the applicant has cleared up any doubts with regard to his order. Complete subscription orders received by the Registrar after cut-off time on a Valuation Day shall be settled at the issue price of the next following Valuation Day applicable.

If the subscription order is incorrect or incomplete, the subscription order shall be regarded as having been received by the Registrar on the date on which the subscription order is submitted properly.

The issue price is payable at the Depositary in Luxembourg in the respective Sub-Fund currency or, if there are several Classes, in the respective Class currency, within the payment period after the corresponding Valuation Day further specified in the Sub-Fund Specific Information sections.

Without limitation, the Management Company may refuse an application for subscription where it determines that the Shares would or might be held by, on behalf or for the account or benefit of any person not qualifying as an eligible investor. In such event, subscription proceeds received by the Depositary will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest or penalty.

The Fund reserves the right to reject any subscription in whole or part at its absolute discretion, whether for an initial or additional investment, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be returned (without interest or penalty) as soon as practicable in the currency of subscription and at the risk and cost of the applicant.

If the Fund determines that it would be detrimental to the existing Shareholders to accept a subscription application that exceeds a certain level determined by the Fund, the Fund may postpone the acceptance of such subscription application and, in consultation with the incoming Shareholder, may require such incoming

Shareholder to stagger their proposed subscription over an agreed period of time. The Management Company can reject any subscription where all documents required to open an account are not provided, in which event paid in investment money will be returned without interest.

The circumstances under which the issue of Shares may be suspended are specified in the Chapter 12 "Temporary suspension of the calculation of the Net Asset Value of Shares and dealing activity".

## 5.3 Redemption of Shares

Shareholders are entitled to request the redemption of their Shares at any time at the Net Asset Value per share in accordance with Chapter 7 "Calculation and Publication of the Net Asset Value of Shares issued", less any redemption fee if applicable ("redemption price"). This redemption will only be carried out on a Valuation Day. If a redemption fee is payable, the maximum amount of which for each Sub-Fund is stipulated in the Sub-Fund Specific Information sections.

The corresponding Share is cancelled upon payment of the redemption price. Payment of the redemption price, as well as any other payments to the Shareholders, shall be made via the Depositary and the Paying Agents, if any.

The Depositary is only obliged to make payment insofar as there are no legal provisions, such as exchange control regulations or other circumstances beyond the Depositary's control, prohibiting the transfer of the redemption price to the country of the applicant.

The Management Company reserves the right to redeem Shares unilaterally against payment of the redemption price if this is deemed necessary in the interests of the Shareholders or for the protection of the Shareholders or a Sub-Fund.

The Management Company can proceed unilaterally to a redemption of a Share Class of an investor or switch the holding to another Class if the investor no longer meets the qualifying criteria to maintain the Class he holds.

If the Management Company believes that a Shareholder is no longer an eligible investor, the owner may be requested to prove his/her eligibility, but the Management Company can at its option proceed to a redemption without consent of owner.

The Fund cannot be held liable for any gain and losses resulting from such unilateral redemptions.

Complete orders for the redemption of registered shares can be submitted to the Management Company, the Global Distributor, Distributor(s) or paying agents (if any). The receiving agents are obliged to immediately forward the redemption orders to the Registrar.

An order for the redemption of registered shares shall only be deemed complete if it contains the name and address of the Shareholder, the shareholder's account or reference number, the number and/or transaction value of the Shares to be redeemed, the name of the Fund, Sub-Fund, Class and the signature of the Shareholder.

Complete redemption orders will be forwarded to the relevant entity in charge of the registrar function by the agent with whom the Shareholder holds his custody account.

Complete orders for the redemption of Shares received no later than the cut-off time further specified in the Sub-Fund Specific Information sections on a Valuation Day shall be settled at the share Net Asset Value of that Valuation Day, less any applicable redemption fees. The Management Company shall in any event ensure that Shares are redeemed on the basis of a previously unknown Net Asset Value per Share. Complete redemption orders received after cut-off time on a Valuation Day shall be settled at the Share Net Asset Value of the next following Valuation Day. Any applicable redemption fees shall be deducted.

The time of receipt of the redemption order by the Registrar shall be decisive.

The redemption price is payable in the Reference Currency of the relevant Class, within the payment period further specified in the Sub-Fund Specific Information sections after the relevant Valuation Day. In the case of registered shares, payment is made to the account specified by the Shareholder.

The Board of Directors is obliged to temporarily suspend the redemption of Shares due to a suspension of the calculation of the Net Asset Value. Further information on the possibility of such a suspension can be found in Chapter 12 "Temporary suspension of the calculation of the Net Asset Value of shares and dealing activity".

In the event of a significant volume of redemptions, the Depositary and the Management Company may decide, in the interest of the Shareholders, to postpone the execution of any redemption order until corresponding assets of the respective Sub-Fund have been sold without undue delay. Should such a measure be necessary, all redemption orders received on the same day will be processed at the same price. The Management Company shall, however, ensure that the respective Sub-Fund has sufficient liquid funds at its disposal such that, under normal circumstances, the redemption of Shares may take place immediately upon application from Shareholders.

Payment of redemption proceeds may be further delayed if there are any specific provisions such as foreign exchange restrictions, or any circumstances beyond the Fund's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

Shareholders should also consider the sections of Chapter 11. "Liquidity Management Tools of the Fund to manage temporary constrained market liquidity" to be informed on specific measures the Fund may apply in case of redemptions under temporary constrained liquidity conditions.

A Shareholder may ask or the Management Company may propose that a Shareholder accepts, a redemption in kind whereby the Shareholder receives a portfolio of assets of the Sub-Fund of equivalent value to the Net Asset Value (less any redemption fee). In proposing or accepting a request for redemption in kind at any given time, the Management Company shall consider the interest of other Shareholders of the Sub-Fund, the principle of fair treatment and in case retail Shareholder(s) will be redeemed in kind, the Management Company should assess whether the assets to be redeemed in kind are adequate for an average retail investor. Where a redemption in kind may be proposed to one or all Shareholder(s), the Management Company must specifically receive a consent from the Shareholder(s) to the redemption in kind and the Shareholder(s) always can request a cash redemption payment instead. Where the Shareholder accepts a redemption in kind, he will receive a set of assets of the Sub-Fund selected by taking into account the principle of fair treatment. Any redemption in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) appointed by the Board of Directors. The Management Company and the redeeming Shareholder(s) will agree on specific settlement procedures.

Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming Shareholder(s) or by such other third party as agreed by the Management Company or in any other way which the Board of Directors considers fair to all Shareholders of the Sub-Fund.

## 5.4 Conversion of shares

The conversion of all or some Shares for Shares in another Sub-Fund will take place on the basis of the applicable Share Net Asset Value of the relevant Sub-Funds taking into account the applicable conversion fee as further specified in the Sub-Fund Specific Information sections.

In the event that different Classes are offered within a single Sub-Fund, it is also possible to convert Shares of one class for those of another within the same Sub-Fund, unless otherwise stipulated in the Sub-Fund Specific Information sections and subject to the class specific eligibility and fee conditions applicable.

The Management Company may reject an order for the conversion of Shares if this is deemed in the interests of the Fund or the Sub-Fund or in the interests of the Shareholders.

Complete orders for the conversion of registered shares can be submitted to the Management Company, the Global Distributor, Distributor, Sub-Distributor or the paying agents (if any). The receiving agents are obliged to immediately forward the conversion orders to the Registrar.

An order for the conversion of registered shares shall only be deemed complete if it contains the name and address of the Shareholder, the number and/or transaction value of the Shares to be converted, the name of the Sub-Fund and the signature of the Shareholder.

Complete orders for the conversion of Shares received no later than the cut-off time further specified in the Sub-Fund Specific Information on a Valuation Day shall be settled at the share Net Asset Value of that Valuation Day, less any applicable conversion fees. Complete conversion orders received after cut-off time on a Valuation Day shall be settled at the Share Net Asset Value of the next following Valuation Day. Any applicable conversion fees shall be deducted.

The Management Company ensures that Shares are converted on the basis of a previously unknown Net Asset Value per share. Any applicable conversion fee shall be taken into consideration.

The time of receipt of the conversion order by the Registrar shall be decisive.

The Management Company is obliged to temporarily suspend the conversion of Shares due to a suspension of the calculation of the Net Asset Value.

Subject to prior approval from the Depositary and while preserving the interests of the Shareholders, the Management Company shall only be entitled to process significant volumes of conversion orders after selling corresponding assets of the respective Sub-Fund without delay. In this case, the conversion shall be carried out at the price valid at that time. The Management Company shall, however, ensure that the respective Sub-Fund has sufficient liquid funds at its disposal such that, under normal circumstances, the conversion of Shares may take place immediately upon application from Shareholders.

## **5.5 Distribution of income, reinvestment of income**

Each Sub-Fund may offer distributing Shares and non-distributing Shares. Distributing Shares and non-distributing Shares issued within the same Sub-Fund will be represented by different Share Classes.

In case of distribution Shares, dividends are intended to be distributed and the Net Asset Value per Share may subsequently be reduced by the amount of dividends paid out. In the case of capitalisation or accumulation Shares, net profits are not intended to be distributed but to be capitalised, thus with no reduction on the Net Asset Value per Share. The distribution policy for each Sub-Fund, Class or Category of Shares is specified in the Sub-Fund Specific Information sections.

Annual dividends may be declared in respect of any type of Shares at the annual general meeting.

In respect of distribution Shares, interim dividends may be paid at intervals as determined from time to time by the Board of Directors. Interim dividends must be approved and ratified by the annual general meeting of Shareholders. In that case, the Net Asset Value of the Sub-Fund or Class concerned is reduced by the amount of paid dividends. If the issuing fee was originally paid by direct debit, distributions will be paid to the same account.

Detailed information regarding the use of income will be published on the Management Company's website.

## **6. Prevention of Market Timing and Late Trading Risks**

The Sub-Funds are not intended to be used as an excessive short-term trading vehicle. Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Fund may at its sole discretion take any action to prevent any activities deemed to adversely affect the interests of the Shareholders.

Market timing is generally understood as the technique of arbitrage whereby a Shareholder systematically subscribes, converts and redeems Shares in a Sub-Fund within a short period by exploiting time differences and/or the imperfections or weaknesses in the valuation system for calculating the Sub-Fund's Net Asset Value. The Management Company takes the appropriate protection and/or control measures to avoid such practices. It also reserves the right to reject, cancel or suspend an order from a Shareholder for the subscription or conversion of Shares if the investor is suspected of engaging in Market Timing.

The Management Company strictly opposes the purchase or sale of shares after the close of trading at already established or foreseeable closing prices i.e. late trading. In any case, the Management Company ensures that Shares are issued and redeemed on the basis of a Share value previously unknown to the shareholder.

If, however, a Shareholder is suspected of engaging in late trading, the Management Company may reject the redemption or subscription order until the applicant has cleared up any doubts with regard to his order.

## **7. Calculation and Publication of the Net Asset Value of shares issued**

### **7.1 Calculation of the NAV**

The Net Asset Value of each Sub-Fund and the Net Asset Value per Share of each Sub-Fund, and, where applicable, each Class of Shares of a Sub-Fund is calculated on each Valuation Day as further specified for each Sub-Fund in the Sub-Fund Specific Information sections.

The NAV of any Sub-Fund is calculated by subtracting the Sub-Fund's liabilities from the Sub-Fund's assets on the Sub-Fund's respective Valuation Day. The NAV of each Sub-Fund is calculated in the Reference Currency of the Sub-Fund.

The NAV of any Class is calculated by determining the proportional Share of the assets of the Sub-Fund attributable to that Class less the proportional share of the liabilities of the Sub-Fund attributable to that Class on the Valuation Day. To determine the NAV per Share of any Class the NAV of that Class will be divided by the number of Shares of that Class then outstanding as at close of business. In case of distributing Classes, the value of the net assets attributable to the distributing Shares is reduced by the amount of such distributions. In cases of any Class with a Reference Currency different to the Reference Currency of the corresponding Sub-Fund, the NAV per Share of that Class will be converted and published in the currency in which that Class is denominated.

The NAV must in principle be calculated at least twice a month. The applicable calculation frequency of each Sub-Fund is specified in Sub-Fund Specific Information section.

The NAV per Share is calculated by dividing the value of the assets less the value of the liabilities of the Sub-Fund by the total number of outstanding Shares of the Sub-Fund on the Valuation Day. The NAV of a Class is determined by the proportional Share of the assets of the Fund attributable to such a Class less the proportional Share of the liabilities of the Sub-Fund attributable to that Class on the Valuation Day. In case of distributing Classes, the value of the net assets attributable to the distributing Shares is reduced by the amount of such distributions.

The NAV is rounded to two decimal places, unless otherwise foreseen for a Sub-Fund in the Sub-Fund Specific Information sections.

### **7.2 Publication of the NAV**

The NAV per Share of each Class and/or the issue, redemption and conversion price relating to each Class is published on each Valuation Day on the website <https://www.lancelot.se/fonder/lancelot-stabil> and is also available at the registered office of the Fund, the Management Company, the Paying and Information Agents (if any) or the Distributors during normal business hours.

### **7.3 Determination of the issue price and the redemption price of shares**

The issue price per Share of each Class is calculated based on the NAV of the Class by adding the sales charge, if any, and any taxes, commissions or other applicable fees and expenses.

The redemption price per Share of each Class is calculated based on the NAV of the Class by subtracting the exit charge, if any, and any taxes, commissions or other applicable fees and expenses.

### **7.4 Modalities concerning the valuation of assets in the portfolio**

The value of the assets of Sub-Fund is determined according to the following principles:

- Securities or Money Market Instruments admitted to official listing on a stock exchange or which are traded on another Regulated Market which operates regularly and is recognised and open to the public within the EU or the OECD Member States are valued on the base of the last known sales price. If the same security or money market instrument is quoted on different markets, the quotation of the main market for this security or money market instrument will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establishing the probable sales prices for such securities or money market instruments;
- non-listed securities or money market instruments are valued on the base of their probable sales price as determined in good faith by the Board of Directors and its delegate;
- liquid assets are valued at their nominal value plus accrued interest;
- time deposits may be valued at their yield value if a contract exists between the Fund and the Depositary stipulating that these time deposits can be withdrawn at any time and their yield value is equal to the realized value;
- all assets denominated in a different currency to the respective Sub-Fund's currency are converted into this respective Sub-Fund's currency at the last available average exchange rate.
- financial instruments which are not traded on the futures exchanges but on a regulated market are valued at their settlement value, as stipulated by the Fund's Board of Directors in accordance with generally accepted principles, taking into consideration the principles of proper accounting, the customary practices in line with the market, and the interests of the shareholders, provided that the above-mentioned principles correspond with generally accepted valuation regulations which can be verified by the independent auditors.
- swaps are valued on a marked-to-market basis.

- units or shares of UCI(TS) are valued at the last available net asset value.
- in case of extraordinary circumstances, which make the valuation in accordance with the above-mentioned criteria impossible or improper, the Fund is authorised to temporarily follow other valuation regulations in good faith and which are according to the verifiable valuation regulations laid down by the independent auditors in order to achieve a proper valuation of the respective Sub-Fund's assets.

The Directors are authorized to apply other appropriate valuation principles for the assets of the Sub-Fund if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

## 8. Fees and Charges

This section provides general information on the various kinds of fees and charges that can be applied and whether they are deducted before or after investing or from the Sub-Fund's assets over a year.

Details on the fees and charges and related rates that apply per Sub-Fund as well as specifications on calculation, accounting treatment and payment conditions where relevant are provided further in the Sub-Fund Specific Information sections.

### 8.1 Fees and expenses taken from the share class over a year (annual fees)

These fees and expenses are deducted from the Sub-Fund or Class NAV, and are generally the same for all Shareholders of a given Sub-Fund or Class. With the exception of the direct and indirect fund expenses described below, the fees and expenses are paid to the Management Company unless specified otherwise in the Sub-Fund Specific Information sections. The amount charged varies depending on the value of the NAV and does not include portfolio transaction costs.

Fees and expenses borne by the Fund as well as income received by the Fund may be subject to value added tax and other applicable taxes.

Most of the ongoing business expenses of the Fund are covered by these fees and expenses.

Further details of the fees and expenses charged to the Fund can be found in the financial statements. These fees and expenses are calculated for each Class of each Sub-Fund, as a percentage of average daily net assets being accrued daily and paid monthly in arrears. Each Sub-Fund and each Class pays all costs it directly incurs and also pays its pro rata share (or an equal share if the Management Company deems it is fairer for investors) of costs not attributable to a specific Sub-Fund or Class based on its total net assets.

#### 8.1.1 Management Company Fee

The Management Company is entitled to receive an administration fee.

It is furthermore entitled to receive an annual flat fee in respect of the register and transfer agent functions and other related services. The UCI Administrator will receive its fee out of the administration fee received by the Management Company.

Furthermore, the Management Company is entitled to be reimbursed out of the assets of the Sub-Funds for its reasonable out of pocket expenses and disbursements linked to its administration services.

#### 8.1.2 Infrastructure Fee

The Management Company will receive an infrastructure fee. Furthermore, the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out of pocket expenses and disbursements linked to its infrastructure services.

#### 8.1.3 Depositary Fee

The Depositary will receive a Depositary Fee directly from the Fund.

In addition, the Depositary is entitled to be reimbursed out of the assets of the Sub-Funds for its reasonable out-of-pocket expenses and disbursements.

#### 8.1.4 Investment Management Fee

The Investment Manager will receive an Investment Management Fee for the day-to-day management of the Sub-Fund's portfolio. It is received by the Management Company on behalf of the Investment Manager.

#### 8.1.5 Performance Fee received by the Investment Manager

For certain Classes of certain Sub-Funds, a performance fee may be deducted from the NAV and paid to the Investment Manager. The Investment Manager may be entitled to receive part or all of the performance fee under their respective Investment Management Agreement.

This fee is designed to reward Investment Managers or Sub-Investment Managers who have outperformed a benchmark, a hurdle rate and/or a high water-mark (or a combination of them) during the performance reference period, while also ensuring consistency with the Fund / Sub-Fund's investment objectives, strategy and policy, and alignment of interests between the Investment Manager and the investors.

Information on whether a performance fee is charged to a Sub-Fund and, if applicable, on the calculation methodology is provided in the Sub-Fund Specific Information sections.

### 8.1.6 Services Fee Operating Expenses

#### The components of the operating and administrative expenses are:

Formation expenses include any non-ongoing expenses linked to the constitution and, if any, transformation of the Fund and/or any Sub-Fund, such as related legal and notary fees and registration costs.

Formation expenses are directly paid by the Fund. They will be charged to the concerned Sub-Funds on a pro rata basis according to their NAV.

Formation expenses are amortised over a period of maximum 5 years in accordance with the applicable accounting standards.

**Direct fund expenses** directly paid by the Fund include, but are not limited to:

- custodian and depositary fees;
- UCI administrator, domiciliary agent, registrar agent;
- audit fees and expenses;
- the Luxembourg *taxe d'abonnement*;
- fees paid to independent directors; and
- reasonable out-of-pocket expenses paid to all directors.

#### Indirect fund expenses:

These are expenses directly contracted by the Management Company on behalf of the Fund and include, but are not limited to:

- legal fees and expenses;
- formation expenses, such as organisation and registration costs;
- transfer agency expenses covering registrar services;
- fund accounting and administrative service expenses;
- administrative services and domiciliary agent services;
- ongoing registration, listing and quotation fees, including, if any, translation expenses;
- documentation costs and expenses, such as preparing, printing and distributing the Prospectus, KIDs or any other offering document, as well as financial statements, shareholder's reports and any other documents made available to Shareholders;
- the fees and reasonable out-of-pocket expenses of the paying agents and representatives, if any;
- the cost of publication of the Share prices, and costs of postage, telephone, facsimile transmission and other electronic means of communication.

The Fund is not currently subject to any Luxembourg taxes on income or capital gains.

### 8.1.7 Other fees

Most operating expenses are included in the fees and expenses described above. However, in addition each Sub-Fund may bear other operating costs as well as extraordinary expenses such as:

#### Other operating costs:

- interest charges, if any, linked to the fund's holdings in assets as well as liabilities (e.g. borrowing)

#### Extraordinary expenses:

- interest and full amount of any duty, levy and tax or similar charge imposed on a Sub-Fund and/or the Fund;
- litigation expenses;
- any extraordinary expenses or other unforeseen charges.

All of these expenses are paid directly from the relevant Sub-Fund assets and are reflected in NAV calculations.

## 8.2 Transaction fees

Transaction costs include costs incurred by the Fund in connection with transactions on the portfolios of the Sub-Funds, including:

- brokerage fees and commissions;
- transaction costs associated with buying and selling Sub-Fund assets, including interest, taxes, governmental duties, charges and levies;
- expenses for operating hedged Share Classes;
- other transaction related costs and expenses.

## 9. Tax Considerations

The information below is based on the current Luxembourg law, regulations and administrative practice and may accordingly change in the future.

### 9.1 Tax treatment of the Fund

The Fund is not subject to any taxation on its income and profits in the Grand Duchy of Luxembourg.

Income received by the Fund (especially interest and dividends) may be subject to withholding tax or assessed tax in the countries in which the Fund's assets are invested. The Fund may also be taxed on realised or unrealised capital gains of its investments in the source country.

Distributions by the Fund as well as liquidation and disposal gains are not subject to withholding tax in the Grand Duchy of Luxembourg.

For subscription tax, refer to section 9.6 Taxe d'abonnement below.

## 9.2 Tax treatment of Shareholders

Tax treatment varies depending on whether the Shareholder is an individual or a corporate structure.

Shareholders who are not or have not been tax resident in the Grand Duchy of Luxembourg and who do not maintain a permanent establishment or have a permanent representative there are not subject to any Luxembourg taxation of income in respect of income from or the capital gains on their Shares.

Interested parties and investors are recommended to find out about the laws and regulations that apply to the taxation of the Fund assets and to the subscription, purchase, ownership, redemption or transfer of Shares in their country of residence, and to seek the advice of external third parties, especially a tax adviser.

## 9.3 FATCA

FATCA was passed as part of the Hiring Incentives to Restore Employment Act of March 2010 in the United States. FATCA requires financial institutions outside the United States of America ("foreign financial institutions" or "FFIs") to send information on financial accounts that are held directly or indirectly by "specified US persons" or non-US entities with Controlling Person(s) who are specified US Person(s) on an annual basis to the US tax authorities (Internal Revenue Service or IRS). A withholding tax of 30% might be deducted from certain types of U.S. income from FFIs in case the reporting obligation is not met.

On 28 March 2014, the Grand Duchy of Luxembourg entered into an Intergovernmental Agreement ("IGA"), in accordance with model 1, and a related memorandum of understanding with the United States of America. The IGA was transposed into Luxembourg law via the Law of 24 July 2015, as modified.

The Management Company and the Fund both comply with the FATCA regulations.

In any case, Shareholders and investors should take note and acknowledge that the Fund or the Management Company may be required to disclose to the Luxembourg tax authority certain confidential information in relation to the investor and the Luxembourg tax authority may be required to automatically exchange such information with the Internal Revenue Service.

For any questions concerning FATCA and the FATCA status of the Fund, Shareholders and potential investors are advised to contact their financial, tax and/or legal advisers.

## 9.4 OECD Common Reporting Standards Reporting

The importance of the automatic exchange of information to combat cross-border tax fraud and tax evasion has increased significantly at the international level in recent years. For this purpose, the OECD has published, among other things, a global standard for the automatic exchange of information on financial accounts in tax matters (Common Reporting Standard, hereinafter "CRS"). The CRS was integrated into Directive 2011/16/EU at the end of 2014 with Council Directive 2014/107/EU of 9 December 2014 regarding the obligation to automatically exchange information in the area of taxation. The participating states (all EU member states and several third countries) apply the CRS. Luxembourg implemented the CRS into national law with the Law of 18 December 2015 as modified transposing the automatic exchange of financial account information in tax matters.

With the CRS, reporting financial institutions are obliged to obtain certain information about their clients and/or investors and potentially their controlling persons.

If the clients/investors (natural persons or legal entities) are persons subject to reporting requirements and tax resident in other participating states, their financial accounts will be classified as reportable accounts. The reporting financial institutions will then annually transmit certain information for each reportable account to their home tax authority. The latter will then transmit the information tax authority of the reportable clients and/or investors and potentially of their controlling person(s).

The information to be transmitted is essentially the following:

- Family name, first name, address, tax identification number, countries of residence as well as the date and place of birth of each reportable person,
- register number,
- register balance or value,
- credited capital gains, including sales proceeds.

## 9.5 Country specific tax considerations

Interested parties and Shareholders are recommended to find out about the laws and regulations that apply to the taxation of the Fund assets and to the subscription, purchase, ownership, redemption or transfer of Shares in the country of their residence, and to seek the advice of external third parties, especially a tax adviser.

## 9.6 “*Taxe d’abonnement*” (subscription tax)

In the Grand Duchy of Luxembourg, the Fund's assets are only subject to the *taxe d’abonnement*, which is currently 0.05% p.a. A reduced *taxe d’abonnement* of 0.01% p.a. of their net assets calculated and payable at the end of each quarter is applicable to (I) Sub-Funds or Classes whose Shares are only issued to Institutional Investors within the meaning of Article 174 of the 2010 Law, (ii) Sub-Funds whose sole purpose is to invest in Money Market Instruments, time deposits with credit institutions or both.", (iii) Sub-Funds whose purpose is to invest in micro finance.

A reduced rate from 0.01% to 0.04% p.a. is applicable for the portion of net assets that is invested into sustainable investments as defined by the EU Taxonomy Regulation 2020/852).

The *taxe d’abonnement* is payable quarterly, based on the Fund's net assets reported at the end of each quarter. The applicable rate of the *taxe d’abonnement* is specified for each Class in the Prospectus. An exemption from the *taxe d’abonnement* applies, inter alia, to the extent that the Fund's assets are invested in other Luxembourg investment funds which in turn are subject to a *taxe d’abonnement*.

## 10. Conflicts of interest

The Management Company, the Board of Directors, the Investment Manager, the Depositary, the UCI Administrator, their delegates, if any, and respective affiliates or any person connected with them (together the "Relevant Parties") may from time to time act as directors, management company, investment manager, distributor, trustee, custodian, depositary, registrar agent, NAV and fund accounting agent, communication agent, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Fund or which may invest in the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund.

The Relevant Parties have adopted policies and procedures reasonably designed to prevent, limit or mitigate conflicts of interest. In addition, these policies and procedures are designed to comply with applicable law and regulation where the activities that give rise to conflicts of interest are limited or prohibited by law, unless an exception is available.

The Board of Directors and each of the relevant parties will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are identified, mitigated and resolved fairly if they cannot be avoided.

In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, or enter into transactions with the Fund, provided that such dealings and transactions are carried out as if effected on normal commercial terms negotiated on an arm's length basis in accordance with applicable law and regulation and the provisions of the Investment Management Agreement, the Management Company Services Agreement, the Administration Agreement, the Depositary Agreement and the Registrar Agreement, to the extent applicable.

The Investment Manager or any of its affiliates or any person connected with the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund.

Neither the Investment Manager nor any of its affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Funds or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

Where applicable, the prospect of a Performance Fee may be considered to create an incentive which may lead the Management Company/Investment Manager to make investments that are riskier than would otherwise be the case and increase the risk profile of the relevant Sub-Fund.

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

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

The Management Company has established, implemented an effective conflict of interest policy which is maintained and available on its website <https://www.fundrock.com/policies-and-compliance/conflict-of-interest/>.

The Board of Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

The Depositary maintains comprehensive and detailed corporate policies and procedures requiring the Depositary to comply with applicable laws and regulations.

The Depositary has policies and procedures governing the management of conflicts of interest. These policies and procedures address conflicts of interest that may arise through the provision of services to UCITS, such as the Fund.

The Depositary's policies require that all material conflicts of interest involving internal or external parties are promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, the Depositary shall maintain and operate effective organisational and administrative arrangements in order to take all reasonable steps to properly (i) disclosing conflicts of interest to the Fund and to Shareholders and (ii) managing and monitoring such conflicts.

The Depositary ensures that its employees are informed, trained and advised of conflicts of interest policies and procedures and that duties and responsibilities are segregated appropriately to prevent conflicts of interest issues.

The Depositary may from time to time, act as the depositary of other open-ended investment companies. The Depositary will provide, from time to time, a description of the conflicts of interest that may arise in respect of its duties. Moreover, if the Depositary delegates the whole or part of its safekeeping functions to a sub-custodian, it will provide, from time to time, a list of any conflicts of interest that may arise from such a delegation.

Compliance with conflicts of interest policies and procedures is supervised and monitored by the Depositary's authorised management, as well as the Depositary's compliance, internal audit and risk management functions.

The Depositary shall take all reasonable steps to identify and mitigate potential conflicts of interest. This includes implementing its conflict of interest policies that are appropriate for the scale, complexity and nature of its business. This policy identifies the circumstances that give rise or may give rise to a conflict of interest and includes the procedures to be followed and measures to be adopted in order to manage conflicts of interest. A conflicts of interest register is maintained and monitored by the Depositary.

Where the Depositary also acts as the UCI Administrator of the Fund, the entity has implemented appropriate segregation of activities between the depositary services and the administration services rendered, including escalation processes and governance. In addition, the depositary function is hierarchically and functionally segregated from the Fund administration business unit.

A potential risk of conflicts of interest may occur in situations where the correspondents may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Depositary and the correspondent.

Where a correspondent shall have a group link with the Depositary, the Depositary undertakes to identify potential conflicts of interests arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any correspondent. The Depositary will notify its board of directors, the Board of Directors and/or the board of directors of the Management Company of the Fund of any such conflict should it so arise.

To the extent that any other potential conflicts of interest exist pertaining to the Depositary, they will be identified, mitigated and addressed in accordance with the Depositary's policies and procedures.

Updated information on the Depositary's custody duties and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depositary.

## **11. Liquidity Management Tools of the Fund to manage temporary constrained market liquidity**

### **11.1 Gating/Deferral**

The Fund reserves the right not to accept instructions to redeem or convert on any one Valuation Day more than 10% of the net assets of a Sub-Fund. In these circumstances, the Fund may declare that any such redemption or conversion requests will be gated until the next Valuation Day and will be valued at the NAV per Share prevailing on that next Valuation Day. The portion of the non-proceeded redemptions or conversions will then be proceeded by priority on subsequent Valuation Days (but subject always to the foregoing 10% limit). Redemption gates are partial restrictions to Shareholders' ability to redeem their capital generally on a pro-rata basis.

When there is a deferral of redemptions, Shares to be redeemed on Valuation Days falling during the period of such deferral will be redeemed at the Net Asset Value per Share of the relevant Valuation Day, unless withdrawn in writing prior thereto. A redemption deferral is a temporary full restriction to Shareholders' ability to redeem their capital. Such redemption deferral may take no longer than 10 Business Days.

## 11.2 Others

The Fund reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding 10 Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Sub-Fund are invested or in exceptional circumstances where the liquidity of the Sub-Fund is temporary not sufficient to meet the redemption requests.

As an additional supplementary liquidity management tools, the Fund may decide to meet a redemption request by transferring securities, instead of cash, to the redeeming investors, subject to the procedure relating to a redemption in kind as referred to in section 5.3 "Redemption of Shares". Redemption-in-kind may protect investors remaining in the relevant Sub-Fund against the high liquidation costs which might otherwise arise.

Finally, the Fund may decide to extend the temporarily stipulated ordinary period of advance notice that investors must give to the Fund when redeeming their investments in order to give the Investment Manager or Sub-Investment Manager(s) more time to meet redemption requests during exceptionally deteriorated market conditions.

- c) during any breakdown in the means of communication normally employed in determining the price of any of a Sub-Fund's investments or of current prices on any stock exchange; or
- d) if for any reason the prices of any investment owned by a Sub-Fund cannot be reasonably, promptly or accurately determined; or
- e) during any period when remittance of monies which will or may be involved in the purchase or sale of any of the Sub-Fund's investments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange; or
- f) following a decision to liquidate or dissolve the Fund, a Sub-Fund or a Class; or
- g) in the case of a merger of the Fund, a Sub-Fund or a Class, if the Board of Directors deems this to be justified for the protection of the Shareholders; or
- h) in the event that a Sub-Fund is a feeder fund, following a suspension of the calculation of the NAV of the master fund or any other suspension or deferral of the issue, redemption and/or conversion of shares in the master fund; or
- i) in all other cases in which the Board of Directors of the Fund considers a suspension to be in the best interest of the Shareholders.

## 12. Temporary suspension of the calculation of the Net Asset Value of shares and dealing activity

This section provides useful information on possible cases that may trigger a suspension, restrictions to subscribe and redeem and convert, the duration of such suspensions and how investors are informed.

The Board of Directors of the Fund is authorised to temporarily suspend the calculation of the NAV of Shares of any Sub-Fund or any Class as well as the issue, redemption and conversion of Shares of any Sub-Fund or any Class, in the following circumstances:

- a) during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed or when trading on any market or stock exchange is restricted or suspended, if that market or stock exchange is the main market or stock exchange for a significant part of Sub-Fund's investments; or
- b) during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible to fairly determine the value of any asset in a Sub-Fund; or

The suspension of the calculation of the NAV and of the issue, redemption and conversion of the Shares will be notified immediately to Shareholders who have made an application for subscription, redemption or conversion of Shares for which the calculation of the NAV and of the issue, redemption and conversion of Shares has been suspended. Such Shareholders will also be notified immediately once the calculation of the NAV per Share is resumed.

During the time of suspension, any unprocessed and incoming subscription, redemption and conversion requests will be suspended, unless they are withdrawn by the Shareholders. Requests that have not been withdrawn will, in principle, be processed on the first Valuation Day after termination of the suspension period.

The suspension of the calculation of the NAV as well as the issue, redemption and conversion of a Class has no effect on the NAV calculation and dealing of other Classes or other Sub-Funds.

## **13. General Meetings of Shareholders and financial year**

### **13.1 Information on the modalities for convening the annual general shareholders meeting and on venue**

The annual general meeting is generally held at the Fund's registered office if not the case, in a specified place and address at a date and time decided by the Board of Directors being no later than six (6) months after the end of the Fund's previous financial year.

To the extent required by law, notices shall, in addition, be published in the RESA and in a Luxembourg newspaper.

In exceptional circumstances the Board of Directors may hold the annual general meeting outside of Luxembourg.

Other Shareholder meetings may be held at other places and times, with appropriate approval and notification.

A participation at any meeting of Shareholders by videoconference or any other means of telecommunication can be allowed, in which case the meeting shall be deemed to be held at the registered office of the Fund. Such video or other electronic means must allow the identification of such Shareholder, allow them to effective act at such meeting of Shareholders and the proceedings of such meeting must be retransmitted continuously to such Shareholder.

The written notices convening annual general meetings, indicating the agenda, the date and time of the meeting and setting out the quorum and majority vote requirements, will be sent at least 8 days prior to the meeting to all holders of registered shares at their address listed in the register of Shareholders. Resolutions concerning the interests of all Shareholders generally will be taken in a general meeting, and will become effective if approved by two-thirds of the votes cast (whether in person or by proxy).

### **13.2 Rights and obligations of Shareholders**

Among other matters, Shareholders will be asked to approve the dividends proposed by the Board of Directors, with the option of modifying them, within the limits of applicable law, as to the portion of annual net profits for the fiscal period to be included, as well as any portion of net assets. The Fund's financial statements must reflect the amount of net investment income and of capital in each dividend payment. Approval of a dividend requires the approval of a majority (as defined in the Articles of Incorporation) of the Shareholders of the applicable Sub-Fund or Class. Each Share gets one vote in all matters brought before a general meeting of Shareholders. Fractional Shares do not have voting rights. Nominees determine the voting policy for all Shares of which they are the owner of record. If the Shares are registered in the name of more than one holder, the unanimous approval of all account holders is required in order to enter a vote for the account, unless the account holders have notified the Fund that they have unanimously approved a representative to vote on behalf of the account. For information on admission and voting at any meeting, refer to the applicable meeting notice.

## **14. Merger of Fund or Sub-Funds**

### **14.1 Mergers and reorganisation of Sub-Funds or Classes decided by the Board of Directors**

The Board of Directors may from time to time elect to proceed with a merger within the meaning of the 2010 Law of the Fund or of one of its Sub-Funds, either as a receiving or a merging UCITS or Sub-Fund, subject to the conditions and procedures imposed by the 2010 Law, including the following provisions regarding notice and approval:

#### **14.1.1 Merger of the Fund or Sub-Fund with another UCITS:**

The Board of Directors may decide to proceed with a merger of the Fund or Sub-Fund, only on a receiving basis, with:

- another Luxembourg or foreign UCITS;
- or
- a sub-fund thereof,

and, as appropriate, to re-designate the Shares of the relevant Sub-Fund thereof, as applicable.

In case the Fund is the receiving UCITS within the meaning of the 2010 Law, only the Board of Directors will decide on the merger and effective date thereof.

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.

In the case where the Fund is the merging 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 a merger as further described below in 14.2 "Mergers decided by the Shareholders".

#### **14.1.2 Merger between Sub-Funds of the Fund**

The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or merging Sub-Fund, with another existing Sub-Fund within the Fund and, as appropriate, to re-designate the Shares of the Sub-Fund concerned as Shares of either the receiving or merging Sub-Fund.

Under the same conditions and procedure as for a merger, the Board of Directors may decide to reorganise a Sub-Fund or Class by means of a division into two or more Sub-Funds or Classes.

### **14.2 Mergers decided by the Shareholders**

#### **14.2.1 Merger of the Fund as merging UCITS**

In case the Fund is the merging UCITS within the meaning of the 2010 Law and hence ceases to exist, the general meeting of the Shareholders is competent to approve, and decide on the effective date of, such merger by a resolution adopted with no quorum requirement and at a simple majority of the 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.

#### **14.2.2 Merger of Sub-Funds as receiving or merging UCITS**

In case the Board of Directors submits the decision for a merger to Shareholders, 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 merging Sub-Fund, with another Sub-Fund of a Luxembourg or foreign UCITS by a resolution adopted with no quorum requirement at 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.

### **14.3 Rights of the Shareholders and imputation of costs**

In all the merger cases above, the Shareholders will in any case be entitled to request the redemption of their Shares, or, where possible, to convert them into units or shares of another Sub-Fund pursuing a similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the provisions of the 2010 Law. Any legal, advisory or administrative costs associated with the preparation and the completion of the merger shall not be charged to the merging or the receiving Fund respectively Sub-Fund, or to any of their shareholders.

## **15. Liquidation of the Fund or related Sub-Funds**

#### **15.1 Liquidation of the Fund**

The Fund may be dissolved and put into liquidation at any time with or without cause by a resolution of the general meeting of Shareholders as foreseen in the Articles of Incorporation. This meeting will be convened by the Board of Directors in compliance with Luxembourg law.

Should the Fund be liquidated, such liquidation shall be carried out in accordance with the provisions of the 2010 Law and of the Law of 10 August 1915 on Commercial Companies and which specify the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provides for deposit in escrow at the *Caisse de Consignation* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law.

The net liquidation proceeds of the Fund shall be distributed to the Shareholders of each Sub-Fund/Class of the Fund in proportion to their respective holdings of such Sub-Fund/Class.

## 15.2 Liquidation of a Sub-Fund or Class

In the event that, for any reason, the Board of Directors determines that (i) the Net Asset Value of any Sub-Fund or Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Class to be managed and/or administered in an efficient manner, or (ii) changes in the legal, economic or political environment would justify such termination, or (iii) a product rationalisation or any other reason would justify such termination, (iv) to do so would be in the interests of Shareholders, the Board of Directors may decide to compulsorily redeem all Shares of the relevant Sub-Fund or Class at the Net Asset Value per share (taking into account actual realisation prices of investments, realisation expenses and liquidation costs) for the Valuation Day in respect of which such decision shall be effective, and to terminate and liquidate such Sub-Fund or Class.

The Shareholders will be informed of the decision of the Board of Directors to terminate a Sub-Fund or Class by way of a notice and/or in any other way as required or permitted by applicable laws and regulations. The notice will indicate the reasons for and the process of the termination and liquidation.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraphs, the general meeting of Shareholders of a Sub-Fund or Class may also decide on such termination and liquidation and have the Fund compulsorily redeem all Shares of the relevant Sub-Fund or Class at the Net Asset Value per share for the Valuation Day in respect of which such decision shall be effective. Such general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast. The liquidation of the last remaining Sub-Fund will result in the termination and liquidation of the entire Fund.

Actual realisation prices of investments, realisation expenses and liquidation costs will be considered in calculating the Net Asset Value applicable to the liquidation. Following the decision to liquidate a Sub-Fund, the Board of Directors will determine whether dealing in Shares may continue up to the date of liquidation and will inform Shareholders in the notice of liquidation. Shareholders in the Sub-Fund or Class concerned will be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption where the Board of Directors is satisfied that this will not jeopardise the fair treatment of the Shareholders.

Liquidation proceeds which have not been claimed by the Shareholders upon closure of the liquidation process will be deposited, in accordance with applicable laws and regulations, in escrow at the *Caisse de Consignation* on behalf of the persons entitled thereto.

Proceeds not claimed within the statutory period will be forfeited in accordance with laws and regulations.

## 16. Benchmarks

### 16.1 Definition of use of Benchmarks and Purpose

The Benchmark Regulation introduces a common framework to ensure the accuracy and integrity of indices used as benchmarks in the European Union, thereby contributing to the proper functioning of the internal market while achieving a high level of consumer and investor protection. To achieve this goal the Benchmark Regulation foresees, *inter alia*, that an EU-supervised entity may use a benchmark or a combination of benchmarks in the European Union if the benchmark is provided by an administrator located in the European Union and included in the public register maintained by ESMA or is a benchmark which is included in the ESMA register. As further defined in the Benchmark Regulation, a fund uses an index or a combination of indices (further referred to as a 'benchmark') where the benchmark is used to measure the performance of the Sub-Fund for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fee.

#### 16.1.1 Use of benchmarks

The Sub-Fund Specific Information sections provides details on the use of benchmarks as defined under the Benchmark Regulation. A benchmark can in principle be used for the following purposes:

- Management in reference to a benchmark in order to define the asset allocation of a portfolio;
- Management in reference to a benchmark in order to track the performance of this benchmark;
- Management in reference to a benchmark in order to calculate the performance fee.

#### 16.1.2 Plans setting out actions in the event that a benchmark materially changes

For each benchmark, the Management Company has established written plans in which it has defined measures that it would take if the benchmark was to change materially or cease to be provided ("Contingency Plan"). A copy of the Contingency Plan may be obtained, free of charge, and upon request at the registered office of the Management Company.

#### 16.1.3 Benchmark Regulation & ESMA register

Under the Benchmark Regulation, ESMA publishes and maintains a public register ("ESMA register") that contains the consolidated list of EU administrators and third country benchmarks, in accordance with Article 36 of the Benchmark Regulation. A Sub-Fund may use a benchmark in the European Union if the EU administrator or if the benchmark appears in the ESMA register or if it is exempted according to Article 2(2) of the Benchmark Regulation, such as, for example, benchmarks provided by EU and non-EU central banks.

Further, certain third country benchmarks are eligible even though they do not appear in the ESMA register as benefiting from a transitional provision under Article 51.5 of the Benchmark Regulation.

## **17. Prevention of money laundering and financing of terrorism**

In accordance with international regulations and Luxembourg laws and regulations in relation to the fight against money laundering and terrorism financing in force at the date of signature of the prospectus, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and terrorism financing purposes.

Measures aimed towards the prevention of money laundering, as provided in these regulations, may require a detailed verification of a prospective Investor's identity. For the sake of completeness, such verification also entails the mandatory and regular controls and screenings related to international sanctions and performed against targeted financial sanctions and politically exposed persons (PEP) lists.

The Fund, the Management Company and the UCI Administrator have the right to request any information as is necessary to verify the identity of a prospective Investor. In the event of delay or failure by the prospective Investor to produce any information required for identification or verification purposes, the Board of Directors (or its delegate) may refuse to accept the application and will not be liable for any interest, costs or compensation. Similarly, when Shares are issued, they cannot be redeemed or converted until full details of registration and anti-money laundering documentation have been completed.

The Board of Directors reserves the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without unnecessary delay to the applicant by transfer to the applicant's designated account, provided the identity of the applicant can be properly verified pursuant to Luxembourg anti-money laundering regulations. In such event, the Fund, the Management Company and the UCI Administrator will not be liable for any interest, costs or compensation.

Failure to provide proper documentation may result in the withholding of distribution and redemption proceeds by the relevant Sub-Fund.

### **17.1.1 Fund RBO Register**

The Fund, or any delegate thereof, will further provide the Luxembourg beneficial owner register (the "RBO") created pursuant to the Law of 13 January 2019 establishing a register of beneficial owners with relevant information about any Shareholder or, as applicable, beneficial owner(s) thereof, qualifying as beneficial owner of the Fund within the meaning of the AML/CFT Rules.

Such information will be made available to the general public through access to the RBO, as required by, and under the conditions set forth in the Luxembourg anti-money laundering laws and regulations. In addition, the Investor acknowledges that failure by a Shareholder, or, as applicable, beneficial owner(s) thereof, to provide the Fund, or any delegate thereof, with any relevant information and supporting documentation necessary for the Fund to comply with its obligation to provide same information and documentation to the RBO is subject to criminal fines in Luxembourg.

Furthermore, considering that money laundering, terrorism financing and proliferation financing risks also exist on the investment side, the Fund is required to perform due diligence and adequate sanctions screening when performing investments operations. For investment transactions, the Fund may ask for additional documents at any time if it considers it to be necessary and may delay the investment operation and any associated transaction requests until it receives and judges to be satisfactory all requested documents.

## **18. Further information, notices and documents available for investors**

Besides this Prospectus, additional information is made available by the Fund at its registered office and the registered office of its Management Company, upon request, in accordance with the provisions of Luxembourg law and regulation. This additional information may include further documents made available by the Fund to inform investors on their investment in a Sub-Fund, on the procedures relating to complaints handling, notices to investors, remuneration policies, conflict of interest, the strategy followed for the exercise of voting rights of the Fund, the best execution policy as well as the arrangements relating to the fees, commissions or non-monetary benefits, if any, in relation with the investment management and administration of the Fund.

### **18.1 Key Information Document "KID" (pursuant to the PRIIPs Regulation), Semi-annual and annual financial statements**

This Prospectus is one of the compulsory documents required by law together and in cooperation with the obligatory KID and the semi-annual and annual financial report.

Investors are advised to read these documents to get informed about the structure, activities and investment proposals of the Fund and its Sub-Fund(s) they are invested in.

#### **18.1.1 KID**

A KID exists for each Class, consistent with the relevant Sub-Fund Specific sections of the Prospectus.

The KID contains only the essential elements for making the investment decision. The nature of the information is harmonised so as to provide standardised and consistent information in a non-technical language. The KID is a single document for each Sub-Fund or Class of limited length presenting the information in a specified sequence that should help to understand the nature, characteristics, the risks, costs and past performance of the investment product.

#### **18.1.2 Semi-annual and annual financial statements**

The financial statements include, amongst other things, a balance sheet or a statement of assets and liabilities, a detailed income and expenditure account for the past financial (half) year, a description of how the remuneration and the benefits have been calculated, a report on the activities of the past financial (half) year as well as information which will enable investors to make an informed judgement on the development of the activities and the results of the Fund. Audited annual reports are available within four months after the end of the Fund's financial year. Unaudited semi-annual reports are available within 2 months after the end of the Fund's financial year.

These documents about the Fund or a Sub-Fund can be accessed at <https://www.fundrock.com/funds> or are available as further described below in section 18.3 Information and Documents available to investors upon request.

#### **18.2 Complaints handling and queries**

The details of the Fund's complaint handling procedures may be obtained free of charge during normal office hours at the registered office of the Management Company.

### **18.3 Information and documents available to investors**

The following table shows places and channels where official materials are available:

	<b>Registered Office of Management Company</b>	<b>Registered Office of Fund</b>	<b>Website address/other media Outlets</b>	<b>Print Media</b>	<b>Other</b>
Prospectus, Information (KID)	Key Document	✓	✓  <a href="https://www.fundrock.com/funds">https://www.fundrock.com/funds</a>  <a href="https://www.lancelot.se/fonder/lancelot-stabil">https://www.lancelot.se/fonder/lancelot-stabil</a>		
Articles of Incorporation, financial statements		✓	✓  <a href="https://www.fundrock.com/funds">https://www.fundrock.com/funds</a>  <a href="https://www.lancelot.se/fonder/lancelot-stabil">https://www.lancelot.se/fonder/lancelot-stabil</a>		RESA <sup>1</sup>
Complaints Procedure		✓	✓  <a href="https://www.fundrock.com/policies-and-compliance/complaints-policy/">https://www.fundrock.com/policies-and-compliance/complaints-policy/</a>  <a href="https://www.lancelot.se/legal-information">https://www.lancelot.se/legal-information</a>		RESA

<sup>1</sup> Electronic Compendium of Companies and Associations (Recueil électronique des sociétés et associations)

Agreements between the Fund/Management Company and service providers	✓	✓			
NAV per share (subscription/redemption price)		✓	<a href="https://www.lancelot.se/fonder/lancelot-stabil">https://www.lancelot.se/fonder/lancelot-stabil</a>		
Dividend announcements		✓			RESA
Notice of suspension of NAV, subscriptions, redemptions	✓	✓	<a href="https://www.lancelot.se/fonder/lancelot-stabil">https://www.lancelot.se/fonder/lancelot-stabil</a>		
Convening notices to Shareholder meetings		✓			RESA
Other notices to Shareholders (mergers, liquidations, pre-notices of material changes concerning the Fund)		✓			RESA
Management Company's remuneration policy, counterpart selection policy/list, conflict of interest policy, list of other funds managed, list of benchmarks used and related contingency plans	✓		<a href="https://www.fundrock.com/policies-and-compliance/">https://www.fundrock.com/policies-and-compliance/</a>		
Depository's duties, Conflict of Interest Policy, sub-custodian network			<a href="https://sebgroup.lu/conflictofinterest">https://sebgroup.lu/conflictofinterest</a> <a href="https://sebgroup.lu/globalcustodynetwork">https://sebgroup.lu/globalcustodynetwork</a>		Skandinaviska Enskilda Banken AB – Luxembourg Branch, 4, rue Peternelchen, L-2370 Howald, Grand-Duchy of Luxembourg

## **19. Sub-Fund Specific Information**

All of the Sub-Funds described under this section are part of Lancelot Asset Management SICAV that functions as an umbrella structure. The Fund exists to offer investors a broad range of sub-funds with different objectives and strategies.

For each Sub-Fund, the specific investment objectives and the main securities it may invest in, along with other key characteristics, are described in this section. In addition, all Sub-Funds are subject to the general investment policies and restrictions that are described in Chapter 3 "Investment Objectives, Policies and Restrictions" of the general part of this Prospectus.

The Board of Directors of the Fund has overall responsibility for the Fund's business operations and its investment activities, including the investment activities of all of the Sub-Funds. The Board of Directors has delegated the day-to-day management of the Sub-Funds to its Management Company, which in turn has delegated some of its responsibilities to the Investment Manager and other service providers.

The Board of Directors retains supervisory approval, control and responsibility over the Management Company.

For general information on fees, charges and expenses which investors may have to pay in connection with their investment in the Fund, please consult Chapter 8 "Fees and Charges".

## Lancelot Stabil

<b>General information</b>	The Sub-Fund is open for subscription and redemption on each Valuation Day and offers dividend or accumulation shares of Class B available in registered form as further described hereinafter.
<b>Investment Objective of the Sub-Fund</b>	<p>The Sub-Fund seeks to achieve positive inflation-adjusted capital growth (in terms of SEK) over the long term, with a moderate risk profile, from actively managed and diversified investments in mainly equities, bonds and other transferable securities.</p> <p>The Sub-Fund may vary the proportion of these depending on its assessment of the potential of total return arising from such securities and of their diversification.</p>
<b>Investment Policy</b>	<p>Investments in UCITS or UCIs may not exceed 10% of the net assets of the Sub-Fund. Within the limits laid down in article 41 (1) (e) of the Law of 2010, and unless expressly stated otherwise, such other UCITS or UCIs might have different investment strategies or restrictions than those set forth herein, to the extent that such investments do not result in a circumvention of the investment strategies or restrictions of the Sub-Fund.</p> <p>The Sub-Fund shall invest in debt securities. The debt securities may be rated or unrated and have credit risk corresponding to investment grade or high yield. The Sub-Fund may invest up to 15% of its Net Asset Value in high yield securities.</p> <p>The Sub-Fund promotes environmental and social characteristics. Further information can be found in the dedicated annex.</p> <p>Whilst using their best endeavours to attain the Fund's investment objective in the Sub-Fund, the Directors cannot guarantee the extent to which such investment objective will be achieved. Thus, the value of the Shares and the investment income therefrom may go up or down.</p>
<b>Investor Profile</b>	<p>The Sub-Fund is intended for long-term capital preservation savers.</p> <p>Investors should consider their long-term investment goals and financial needs when making an investment decision about the Sub-Fund. Consequently, the Sub-Fund is suitable for investors who can afford to set aside the capital invested for at least three years.</p>
<b>Investment Process</b>	Investment decisions are the result of a consistent and structured process, which is based on macroeconomic and fundamental analysis. Over time the overall allocation to equity and fixed income instruments will vary depending on the return and risk prospects of each asset class and of the individual stocks and bonds in the Sub-Fund.
<b>Use of Financial Derivatives Instruments, Efficient Portfolio Management Techniques, Total Return Swaps</b>	The Sub-Fund is authorised to use the derivatives techniques and instruments described on the section "Investment Objectives, Policies and Restrictions", on the terms and conditions set out in said section. The investor's attention is drawn to the fact that market conditions and applicable regulations may restrict the use of these instruments. The success of these strategies cannot be guaranteed. By using these techniques and instruments the Sub-Fund takes in risks and costs it would not have assumed or incurred if it had not used such techniques.
<b>Investment Manager</b>	<p>Lancelot Asset Management AB  Nybrokajen 7, PO Box 16172  SE-10323 Stockholm, Sweden</p>
<b>Hurdle used</b>	The use of the Hurdle by the Sub-Fund is not subject to the Benchmark Regulation.
<b>Risk Profile</b>	<p>An investment in the Sub-Fund is designated to be a long-term investment and is not intended as a complete investment program. Investors should not expect to obtain short-term gains from such investment. The Sub-Fund is suitable for investors who can afford to set aside the capital for at least three years.</p> <p>Potential investors should also inform themselves of, and where appropriate consult their professional advisers, as to the tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares and merger situations under the law of their country of citizenship, residence or domicile.</p>

<b>Global exposure approach</b>	<p>The global exposure relating to derivative instruments is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.</p> <p>The Sub-Fund may invest, according to its investment policy and within the limits laid down in this Prospectus in financial derivative instruments, provided that the global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in this Prospectus.</p> <p>The commitment approach is used to monitor and measure the global exposure of the Sub-Fund.</p> <p>When calculating the global exposure using the commitment approach, the Sub-Fund may benefit from the effects of netting and hedging arrangements.</p>
<b>Leverage</b>	<p>The Sub-Fund may achieve some leverage through the use of financial derivatives instruments for the purpose of making investments (as on-exchange and OTC derivatives) and hedge the returns from the underlying assets.</p> <p>The use of leverage creates special risks and may significantly increase the Sub-Fund's investment risk.</p> <p>Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of the Sub-Fund to capital risk. Leverage means that the initial consideration for entering the transaction is considerably less than the face value of the subject matter of the contract. If a transaction is leveraged a relatively small market movement will have a proportionately larger impact on the value of the investment to the Sub-Fund, and this can work against the Sub-Fund as well as for it.</p> <p>Derivatives contracts may involve the Sub-Fund in long term performance or financial commitments, which may be magnified by leverage and changes in the market value of the underlying.</p> <p>There can be no assurance that the objective sought to be obtained from the use of the derivatives will be achieved.</p>
<b>Fees and Charges</b>	<p><b>Management Company's fees</b></p> <p>In consideration of its services to the Fund, the Management Company shall be entitled to receive, out of each Sub-Fund's assets, a fee calculated on each Valuation Day and paid out as described below.</p> <p>Such fee shall include the following:</p> <p><u>Administration fee</u> of maximum 0.10% p.a. (the "<b>Administration Fee</b>"), as detailed below:</p> <ul style="list-style-type: none"> <li>- 0,10% p.a. for a Sub-Fund volume of up to the counter value in SEK of EUR 50,000,000,</li> <li>- 0,08% p.a. for a Sub-Fund volume from the counter value in SEK of EUR 50,000,000 to up to the counter value in SEK of EUR 150,000,000,</li> <li>- 0,06% p.a. for a Sub-Fund volume of more than the counter value in SEK of EUR 150,000,000,</li> </ul> <p>payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month with a minimum fee of EUR 3,330.00 per month.</p> <p><u>Infrastructure fee</u> for infrastructure supplies, the Management Company is entitled to receive out of the Sub-Fund's assets a fee of maximum 0.025% p.a. (the "<b>Infrastructure Fee</b>"). This fee is payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month.</p> <p><u>UCI Administrator fee</u>: The Management Company is furthermore entitled to receive out of the Sub-Fund's assets for the UCI Administrator function an annual flat fee per Class of Shares, in accordance with Luxembourg customary banking practice (the "<b>UCI Administrator Fee</b>").</p> <p>In addition, the Management Company will be reimbursed for reasonable out-of-pocket expenses relating to the provision of services to the Sub-Fund.</p>

## **Depositary and Global Custody Fees**

Depositary fee of maximum 0,01% p.a. (the "**Depositary Fee**"), payable monthly in arrears directly from the Sub-Fund based on the Sub-Fund's net assets calculated daily during the relevant month with a minimum fee of EUR 500.00 per month.

Global Custody fee for safekeeping and transactions of maximum 0,02% p.a. (the "**Global Custody Fee**"), payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month excluding transaction fees which are additionally charged.

In addition, the Depositary will be reimbursed for reasonable out-of-pocket expenses relating to the provision of services to the Sub-Fund.

## **Investment Manager's fees**

### **Investment Management Fee**

In consideration for its services, the Investment Manager shall be entitled to a fixed fee of maximum 1% p.a. paid as Investment Management Fee to the Management Company on behalf of the Investment Manager. A twelfth of this rate is being payable at the end of each month in arrears and based on the net assets of each Sub-Fund calculated on a daily basis during the relevant month.

### **Performance Fee received by the Investment Manager**

In addition to this fixed fee, the Investment Manager is entitled to a performance fee paid out of the Sub-Fund's assets, calculated daily and payable yearly at the end of the Fund's financial year, at the rate of 15%, of the amount by which the relevant Sub-Fund's total return, based on the High Water Mark (the "**HWM**") model where the Net Asset Value at the beginning and at the end of the relevant financial year (the "**Calculation Period**") and after accrual of the fixed fee, outperforms on a year to year basis the agreed Hurdle.

High Water Mark means the greater of the original issue price of Shares in the relevant Class of Shares and the highest NAV per Share achieved as at the end of any previous Calculation Period. This means that at a forthcoming Calculation Period with outperformance compared to the HWM, no Performance Fee is paid until the amount of underperformance from previous year (s) is fully recovered.

The Hurdle rate is the higher of a) 0 percent and b) the interpolated twelve months Swedish Government rate of interest (since no listed security exists with a maturity of exactly twelve months) as per close of market on the last Swedish banking day of the previous year. An interpolation is made in the Hurdle rate in a non-discretionary manner from the existing listed Swedish Government interest bearing securities (i.e. Swedish Treasury Bills and Swedish Government Benchmark Bonds):

The universe of securities that can be used for calculation of the Hurdle consists of: all outstanding Swedish Treasury Bills issued by the Swedish National Debt Office, and all outstanding Swedish Government Benchmark Bonds issued by the Swedish National Debt Office.

From the universe described above, two securities are selected to interpolate between and these are:

- the security with the longest maturity shorter than twelve months, and
- the security with the shortest maturity longer than twelve months

For the two securities selected, the mid-market yield is applied as per close of market on the last Swedish banking day of the previous year as published in the financial media.

If the securities used are Swedish Government Benchmark Bonds, the yield is converted to Swedish Treasury Bill day count standard by multiplying the yield with 360 and dividing it by the actual number of days in the year in question.

A linear interpolation between the two yields is done in order to calculate the rate as per the 31<sup>st</sup> of December of the year in question. This rate is the Hurdle for the year in question.

The Hurdle rate is an interest rate. A pro rata calculation is done during the year and the Hurdle NAV will increase over the year. The Hurdle rate itself will not change as it will be fixed once a year, at the beginning of the year and can only be positive.

The Hurdle NAV will be the HWM adjusted with the rate only in case of a positive rate.

The Hurdle NAV is adjusted only upwards during the year.

In the case of a dividend payment, the HWM and the Hurdle NAV will be adjusted downwards accordingly.

For a calendar year when the Sub-Fund underperforms the agreed Hurdle no performance fee will be paid and the amount of the relative underperformance from that year shall remain relevant for coming years. This means that at a forthcoming year with outperformance compared to the Hurdle, no performance fee is paid until the amount of underperformance from previous year (s) is fully recovered.

The HWM mechanism for the compensation for past negative performance will not be reset. A Performance Fee cannot be accrued or paid more than once for the same level of performance over the whole life of the Fund.

Artificial increases resulting from new subscriptions should not be taken into account when calculating the performance fee. In case of redemptions, the part of performance fee included in the redemption price is due and will be paid to the Investment Manager.

The Performance Fee is calculated net of all cost.

#### **Performance Fee calculation simulation for Class B Dividend Shares:**

PERIODE	START NAV	END NAV	DIVIDEND	BENCHMARK %	HWM	HURDLE NAV	PERFORMANCE FEE Rate (15%)	NAV AFTER PERFORMANCE
1	100.00	105.00	0.00	0.00%	100.000	100.000	0.750	104.25
2	104.25	101.02	1.00	0.00%	103.250	103.250	0.000	101.02
3	101.02	96.10	3.00	0.00%	100.184	100.184	0.000	96.10
4	96.10	100.90	0.00	1.00%	100.184	101.186	0.000	100.90
5	100.90	102.83	0.00	1.25%	101.186	102.450	0.056	102.77
6	102.77	103.65	2.00	1.50%	100.770	102.282	0.206	103.45
7	103.45	104.59	0.00	2.00%	103.447	105.516	0.000	104.59

**Period 1** The NAV increases by 5%. The Hurdle Rate is 0%. The Performance Fee is calculated on the NAV increase above initial launch price.

**Period 2** The HWM becomes the NAV after Performance Fee as at end of period 1, adjusted downwards for the corresponding % impact of the dividend. The Hurdle Rate for the period 2 is 0%. The NAV is below the HWM and Hurdle NAV, no Performance Fee is due.

**Period 3** The previous HWM is again adjusted downwards for the corresponding percentage impact of the dividend. The Hurdle Rate for the period 3 is 0%. The NAV is below the HWM and Hurdle NAV, no Performance Fee is due.

**Period 4** The HWM remains as at end of period 4. The Hurdle Rate for the period 4 is 1%. The Hurdle NAV becomes 101.186, no Performance Fee is due as the NAV is below the Hurdle NAV.

Period 5	The new HWM becomes the Hurdle NAV as at end of period 4 and serves as calculation base for the Hurdle NAV of period 5. A Performance Fee is due at the end of period 5.
Period 6	The HWM and new calculation base for the new Hurdle NAV becomes the NAV after performance as at end of period 5, adjusted downwards for the corresponding percentage impact of the dividend. The Hurdle Rate for the period 6 is 1.5%. A Performance Fee is due at the end of period 6.
Period 7	The HWM and new calculation base for the new Hurdle NAV becomes the NAV after performance as at end of period 6. The Hurdle Rate for the period 7 is 2%. No Performance Fee is due at the end of period.

**Performance Fee calculation simulation for Class B Accumulation Shares:**

PERIOD	START NAV	END NAV	Hurdle Rate %	HWM	HURDLE NAV	PERFORMANCE FEE Rate (15%)	NAV AFTER PERFORMANCE
1	100.00	105.00	0.00%	100.000	100.000	0.750	104.25
2	104.25	102.00	0.00%	104.250	104.250	0.000	102.00
3	102.00	100.00	0.00%	104.250	104.250	0.000	100.00
4	100.00	105.00	1.00%	104.250	105.293	0.000	105.00
5	105.00	107.00	1.25%	105.293	106.609	0.059	106.94
6	106.94	110.00	1.50%	106.941	108.545	0.218	109.78
7	109.78	111.00	2.00%	109.782	111.977	0.000	111.00

Period 1	The NAV increases by 5%. The Hurdle Rate is 0%. The Performance Fee is calculated on the NAV increase above initial launch price.
Period 2	The HWM becomes the NAV after Performance Fee as at end of period 1. The Hurdle Rate for the period 2 is 0%. The NAV is below the HWM and Hurdle NAV, no Performance Fee is due.
Period 3	The HWM remains as at end of period 1. The Hurdle Rate for the period 3 is 0%. The NAV is below the HWM and Hurdle NAV, no Performance Fee is due.
Period 4	The HWM remains as at end of period 1. The Hurdle Rate for the period 4 is 1%. The Hurdle NAV becomes 105.293, no Performance Fee is due as the NAV is below the Hurdle NAV.
Period 5	The new HWM becomes the Hurdle NAV as at end of period 4 and serves as calculation base for the Hurdle NAV of period 5. A Performance Fee is due at the end of period 5.
Period 6	The HWM and new calculation base for the new Hurdle NAV becomes the NAV after performance as at end of period 5. The Hurdle Rate for the period 6 is 1.5%. A Performance Fee is due at the end of period 6.
Period 7	The HWM and new calculation base for the new Hurdle NAV becomes the NAV after performance as at end of period 6. The Hurdle Rate for the period 7 is 2%. No Performance Fee is due at the end of period.

The above examples are purely for illustrative purposes and are not a representation of the actual performance of Lancelot Stabil, or of future returns to shareholders, and has been simplified for the purposes of illustrating the effect of the performance fee in different scenarios.

The above simplifications allow the performance fee to be illustrated in a straightforward manner, without producing a material deviation from any actual performance fee calculation that will be carried out for Lancelot Stabil.

A summary of the remuneration policy of the Investment Manager is available to investors on request at the registered office of the Fund.

<b>Sub-Fund Currency</b>	The Reference Currency of the Sub-Fund is Swedish Krona (SEK).									
<b>Valuation Days, Cut-Off times, Payment Periods of Subscriptions, Redemptions, Conversions</b>	<table border="1"> <tr> <td><b>Valuation Days</b></td><td>The Business Day as of which the Fund's assets and liabilities will be valued in accordance with the articles of incorporation and as further specified in Sub-Fund Specific Information sections.</td></tr> <tr> <td><b>Cut-Off times</b></td><td>at or before 16:00 hours (Central European time) on a Valuation Day</td></tr> <tr> <td><b>Payment Periods of Subscriptions</b></td><td>The full amount payable on subscription must be transferred in SEK, for value three (3) Business Days after the relevant Valuation Day, with indication of the proper identity of the subscriber and the Class of Shares and Sub-Fund in which Shares are subscribed; in case the last such day is not a Business Day in the country of the relevant currency, the transfer may be effected for value the next such day.</td></tr> <tr> <td><b>Payment Periods of Redemptions</b></td><td>Payments will ordinarily be made in the reference currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day or on the date the registered Share certificate(s) (if issued) have been returned to the Fund, if later.</td></tr> </table>		<b>Valuation Days</b>	The Business Day as of which the Fund's assets and liabilities will be valued in accordance with the articles of incorporation and as further specified in Sub-Fund Specific Information sections.	<b>Cut-Off times</b>	at or before 16:00 hours (Central European time) on a Valuation Day	<b>Payment Periods of Subscriptions</b>	The full amount payable on subscription must be transferred in SEK, for value three (3) Business Days after the relevant Valuation Day, with indication of the proper identity of the subscriber and the Class of Shares and Sub-Fund in which Shares are subscribed; in case the last such day is not a Business Day in the country of the relevant currency, the transfer may be effected for value the next such day.	<b>Payment Periods of Redemptions</b>	Payments will ordinarily be made in the reference currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day or on the date the registered Share certificate(s) (if issued) have been returned to the Fund, if later.
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<b>Payment Periods of Redemptions</b>	Payments will ordinarily be made in the reference currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day or on the date the registered Share certificate(s) (if issued) have been returned to the Fund, if later.									
	<p>The net asset value of the Fund's assets (the "<b>Net Asset Value</b>") and the Net Asset Value per Share of each Sub-Fund will be determined in the relevant Reference Currency, at present in SEK for Lancelot Stabil, on every Business Day, except in case of a suspension. The Net Asset Value is calculated on the next Valuation Day after the receipt of the subscription, redemption and/or conversion orders.</p>									
	<p><b><u>Subscription</u></b></p> <p>Shares are offered for sale and issued on each day, if such day is a Valuation Day. Duly completed and signed subscription forms received by the UCI Administrator at or before 16:00 hours (Central European time) on a Valuation Day will, if accepted, be dealt with on the basis of the relevant Net Asset Value per Share of the relevant Class, calculated on the next Valuation Day. Requests received thereafter will be held over to the second Valuation Day following the receipt of the subscription request, to be executed at the prices ruling on that day. Shares will be issued on the Valuation Day.</p> <p>Shares of the Sub-Fund are available for subscriptions in a continuous offering based on their Net Asset Value per Share, as described below.</p> <p>Applications may be sent to the Global Distributor, or any sub-distributors/ sub-placement agents (if any) which shall transmit the substantive content thereof to the UCI Administrator or they may be sent directly to the Fund in Luxembourg.</p> <p>An investor should instruct his bank to effect payment by telegraphic or SWIFT transfer of the related amount to the appropriate bank account listed in the applicable Application Form provided by the UCI Administrator, indicating the proper identity of the subscriber(s) and the Class B.</p> <p>Shares of Class B are issued through the Global Distributor and/or the sub-distributors /sub-placement agents (if any) at an Issue Price based on the Net Asset Value per Share on the relevant Valuation Day.</p>									

	<p>Details of the Issue Price shall be available for inspection at the registered office of the Fund.</p> <p>The full amount payable on subscription must be transferred for value three (3) Business Days after the relevant Valuation Day, with indication of the proper identity of the subscriber and the Class of Shares; in case the last such day is not a Business Day in the country of the relevant currency, the transfer may be effected for value the next such day.</p> <p>The Fund reserves the right to reject any application in whole or in part in the light of market conditions prevailing on the financial markets, in which event the application moneys or the balance thereof will be returned to the applicant.</p> <p>Applications may be sent to the Global Distributor, or any sub-distributors/ sub-placement agents (if any) which shall transmit the substantive content thereof to the UCI Administrator or they may be sent directly to the Fund in Luxembourg. An investor should instruct his bank to effect payment by telegraphic or SWIFT transfer of the related amount to the appropriate bank account listed in the applicable Application Form provided by the transfer agent, indicating the proper identity of the subscriber(s) and the Class B and whether these are Accumulation or Dividend Shares in respect of the relevant Sub-Fund(s) in which Shares are subscribed.</p> <p>Shares of Class B are issued through the Global Distributor and/or the sub-distributors /sub-placement agents (if any) at an Issue Price based on the Net Asset Value per Share on the relevant Valuation Day.</p> <p>Details of the Issue Price shall be available for inspection at the registered office of the Fund.</p> <p>The full amount payable on subscription must be transferred in SEK, for value three (3) Business Days after the relevant Valuation Day, with indication of the proper identity of the subscriber and the Class of Shares and Sub-Fund in which Shares are subscribed; in case the last such day is not a Business Day in the country of the relevant currency, the transfer may be effected for value the next such day.</p>
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### **Redemption**

All redemption orders are made on the basis of the unknown Net Asset Value per Share. Redemption requests received by the UCI Administrator at or before 16:00 hours (Central European time) on a Valuation Day shall be executed at the Net Asset Value per Share of the relevant Class as calculated on the next Valuation Day. Requests received thereafter will be held over to the second Valuation Day following receipt of the redemption request, to be executed at prices ruling on that day. Shares will be cancelled on the Valuation Day.

Redemption requests must be accompanied, if issued, by the registered Share certificates in respect of the Shares, duly endorsed for redemption. A request duly made shall be irrevocable, except in case of and during any period of suspension or gating of redemptions.

In case of redemption requests on any Valuation Day in excess of 10% of the Net Asset Value of the relevant Class of Shares or in case redemption requests during a period of three consecutive Valuation Days totalling more than 10% of the Net Asset Value of the relevant Class of Shares, the Fund may defer all such redemptions for a period of not more than seven consecutive Valuation Days, but always subject to the foregoing limits (see below). On such Valuation Days, such requests for redemption will be complied with in priority to later requests.

The price to be paid in respect of each Share tendered for redemption (the "**Redemption Price**") will be the Net Asset Value per Share.

The net Redemption Price is based on the Net Asset Value determined as of the next Valuation Day after the receipt by the Fund of the redemption request on a Valuation Day at or before 16:00 hours (Central European time) and of the relevant Share certificates, if any. When there is a suspension of the calculation of the Net Asset Value or a deferral of redemptions, Shares to be redeemed on Valuation Days falling during the period of such suspension or deferral will be redeemed at the Net Asset Value per Share of the relevant Class calculated on the next Valuation Day following termination of such suspension and in the case of a deferral at the Net Asset Value per Share of the relevant Valuation Day, unless withdrawn in writing prior thereto.

Payments will ordinarily be made in the reference currency of the relevant Class, within three (3) Business Days after the relevant Valuation Day or on the date the Share certificate(s) (if issued) have been returned to the Fund, if later.

The Fund may redeem the residual shareholding of any shareholder, if compliance with a redemption or conversion request would result in an aggregate residual holding of less than 5,000 SEK. See also a description of certain compulsory redemption or merger procedures under the header "Termination and Merger of Sub-Funds or Classes of Shares" above.

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

The Redemption Price shall be available on demand at the registered office of the Fund, the UCI Administrator, the Global Distributor and/or any other sub-distributor/sub-placement agent (if any).

### **Conversion**

Holders of Shares of Class B of a Sub-Fund will be entitled to convert (switch) some or all of their holding into Shares of the same Class corresponding to another Sub-Fund of the Fund (if any) on any day which is a Valuation Day for both relevant Sub-Funds, by making application to the Fund's UCI Administrator in Luxembourg or through the Global Distributor or the relevant distributor or sub-distributor by facsimile or email, confirmed in writing and which must include the following information: The name of the holder and, if possible, his reference number on any Share confirmation which he may have received earlier, the number and Class of Shares of each Sub-Fund to be converted and the proportion or value of those Shares to be allocated to each new Sub-Fund (if more than one). Furthermore, conversions may be done from Dividend Shares into Accumulation Shares and vice-versa.

It should be noted that conversion of Shares represented by a formal Share certificate cannot be effected until the Fund is in receipt of the relevant Share certificate(s) (duly renounced) and that Shares of Class B may be converted only into Shares of the same Class B of another Sub-Fund.

All conversion orders are made on the basis of the unknown Net Asset Value per Share. Conversion requests received by the UCI Administrator at or before 16:00 hours (Central European time) on a Valuation Day shall be executed at the Net Asset Value per Share of the relevant Class as calculated on the next Valuation Day. Requests received thereafter will be held over to the second Valuation Day following the receipt of the conversion request, to be executed at prices ruling on that day.

The basis of conversion is related to the respective Net Asset Values per Share of the Classes concerned. The UCI Administrator will determine the number of Shares into which a shareholder wishes to convert his existing Shares in accordance with the following formula:

$$A = \frac{B \times C}{D}$$

A = the number of Shares (and in the case of registered Shares, a fraction to one thousandth of a Share) in the same Class B of the new Sub-Fund

B = the number of Shares in the original Sub-Fund

C = the Redemption Price per Share in the original Sub-Fund,

D = the Net Asset Value per Share of the new Sub-Fund

The Fund will provide an account-confirmation or details of the conversion to the shareholder concerned and issue new Share certificates, if so requested by him.

	The Management Company has by Placement & Distribution Agreement appointed Lancelot Asset Management AB, with registered office at Nybrokajen 7, PO Box 16172, S-10323 Stockholm, Sweden to act as Global Distributor for the Shares. Subject to Lancelot Asset Management AB's approval, further agreements may be concluded by the Global Distributor with other Distributors/ Placement Agents, who will assist in the offer and sale of Shares, in accordance with all applicable laws. These agreements shall all be concluded for an unlimited duration.
<b>Specific liquidity considerations</b>	The Sub-Fund may hold ancillary liquid assets. From time to time, a maximum of 20% of the Sub-Fund's net assets might be invested in liquid assets with due regard to the principle of risk spreading. Such assets might be kept in the form of bank deposits at sight, such as cash held in current accounts with a bank accessible at any time.
<b>Classes of Shares</b>	<b>Name</b>
	<b>Category</b>
	<b>Type</b>
	<b>Form</b>
	<b>Reference Currency</b>
	<b>Minimum Initial Subscription Amount</b>
	<b>Minimum Subsequent Subscription Amount</b>
	<b>Minimum Redemption Amount</b>
	<b>Performance Fee Mechanism</b>
	<b>Performance Fee Calculation Period</b>
	<b>Performance Fee Hurdle</b>
	<b>Performance Fee Rate</b>
	<b>Sales Charge</b>
	<b>Redemption Charge</b>
	<b>Conversion Charge</b>
	<b>Listing</b>
<p>Shares of Class B of the Fund have no par value and are at present issued only in registered form, with like rights and privileges.</p> <p>The Shares of Class B can be issued and redeemed at the registered offices of the Management Company, or the UCI Administrator, through any other Distributor/ Placement Agents and/or sub-distributor and sub-placement agents.</p> <p>The applicable fees, if any, for issue, redemption and conversion are laid down in the respective sections hereafter.</p>	

	<p>The Class B Shares corresponding to the Lancelot Stabil may be issued in the form of two categories being Dividend Shares and Accumulation Shares. Shareholders may switch from Accumulation Shares into Dividend Shares or vice-versa into the other without cost on the basis of their respective Net Asset Values.</p> <p>The annual dividend (as shall be proposed for the Dividend Shares by the Board of Directors in the first quarter of the following corporate year and ratified by the annual general meeting of shareholders of the Company) will normally be equal to the Hurdle of the previous corporate year. The Board of Directors may however propose a dividend that is higher or lower than the Hurdle if this is deemed to be in the best interest of the shareholders.</p> <p>If the total net income and net realized or unrealized gains for a specific year attributable to the dividend class of shares were to be lower than the proposed dividend, the Board of Directors may still declare such a dividend, even if this entails a return of results carried forward or of capital, provided always that the minimum capital of the equivalent in SEK of EUR 1.25 million shall be maintained for the Sub-Fund.</p> <p>Shares allocated or converted shall be registered Shares with a computerised confirmation of ownership being sent to the record-holder thereof; formal registered Share certificates are issued only upon request. Share confirmations or, if applicable, registered Share certificates shall be sent within 30 days of the relevant Valuation Day.</p> <p>The Fund's Articles of Incorporation permit the issue of Shares of different categories or Classes, which relate to different Sub-Funds. Subject as above, each Share of Class B shall carry the right to participate equally in the profits of, and the results of the relevant Sub-Fund's operations. Registered Share ownership is evidenced by entry in the Fund's register and is represented by either confirmation(s) of ownership or, if specifically requested, a Share certificate.</p> <p>Each whole Share entitles the holder thereof at all general meetings of shareholders and at all special meetings of the relevant Class of Shares to one vote which may be cast in person or by proxy. Special Class meetings shall be constituted by all holders present or represented of Shares of Class B relating to the relevant Sub-Fund.</p> <p>The Shares will have no preferential, preemption, conversion or exchange rights. There are no, nor is it intended that there will be, any outstanding options or special rights relating to any Shares.</p> <p>The Shares are freely transferable, except that the Board of Directors may, according to the Articles, restrict the ownership of Shares by certain persons (the "Restricted Persons") as defined therein. The Directors have decided that no Shares shall be issued, transferred to or held by U.S. Persons.</p>
<b>SFDR Classification</b>	The Sub-Fund qualifies as an Article 8 financial product under SFDR.

# Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

**Product name:** Lancelot Stabil  
**Legal entity identifier:** 529900E4PP5PWWBV6H54

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

••  Yes

•○  No

It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?

#### Promotion of environmental and social characteristics

Investments are included based on identified megatrends closely linked to UN's 17 global sustainability goals. Megatrends could be structural problems or opportunities which the Investment Manager of the fund believes will be long lasting and where a product or solution is needed. Examples of megatrends include scarcity of water, global opioid crisis, antibiotic resistance, renewable energy sources, sustainable housing, circular economy, robotics surgery, sustainable consumption and production. By identifying the best-in-class companies within each megatrend the Sub-Fund promotes environmental and social characteristics. The Sub-Fund can also invest in businesses that are in a transition phase which can therefore be selected into the fund despite the fact that the activity in an individual case is included in the activities to be excluded (see exclusion of sectors below). This assumes, however, that it can be justified in the analysis that the fund carries out and that the transition can be carried out in a predetermined future. Businesses that are in a transition phase are expected to contribute to, rather than counteract, the achievement of one or several of targeted megatrends and related sustainable development goals. The option of investing in transition businesses means that the exclusion limits normally applied may be waived during the transition period.

## **Exclusion of sectors**

The Sub-Fund excludes investment objects with significant exposure to certain activities deemed to be negative to the environment or the society at large, including companies with exposure to fossil fuel (gas, oil, and coal), tobacco, alcohol, weapons, pornography, and commercial gambling. In addition, the fund excludes investment objects that violate international norms and conventions related to environmental issues, human rights, labor law or combatting corruption and bribery.

## **Principal Adverse Impact ("PAI")**

In addition to the above, the PAI of investments on sustainability factors is also taken into consideration as an integrated part of the investment process with the construction of PAI statements, measuring historical and current periods, aiming to improve these figures on an ongoing basis through the portfolio construction.

The Sub-Fund uses an index that is not aligned with the Sub-Fund's environmental or social characteristics. The index used is not used to determine whether the Sub-Fund meets the environmental and social characteristics promoted.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

When measuring the attainment of the environmental or social characteristics, the Sub-Fund uses primarily environmental and social indicators from the investment objects own reporting and when that is unavailable, data is provided by third-party suppliers, such as Bloomberg or Sustainalytics. More information on the indicators can be found in the sustainability-related website disclosures in accordance with SFDR article 10.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***
- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

N/A

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti- bribery matters.



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes,

Yes, through the PAI analysis the fund assesses the performance of the investment object across multiple PAI indicators. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability. Information on PAI indicators on sustainability factors will be made available on the Fund Managers website in the annual report to be disclosed pursuant to SFDR Article 11(2).

No



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Individual analysis:** By analysing every investment on an individual basis, and when the opportunity arises, have a dialogue with the investment objects representatives with the purpose of aligning the funds interest with the investment object's, the Sub-Fund only invest in objects that meet the fund's investment criteria. Through this process environmental and social characteristics are promoted, and risks related to sustainability are integrated as an integral part of the investment analysis that the Sub-Fund conduct. Based on the result of the analysis conducted by the fund a decision is made by the portfolio manager if the fund should invest in the object or not. The Sub-Fund conducts both an internal analysis of the investment object and an external analysis which is done by third-party suppliers such as Sustainalytics complemented by key figures from Bloomberg.

**Inclusion of PAI:** the Sub-Fund considers principal adverse impacts on sustainability related factors in the decision making process. The Sub-Fund does not invest in investment objects which are harmful for the environment or social characteristics.

The Investment Manager describes how the principal adverse impacts are considered in the investment decision making process on its website pursuant to the reporting standard available. The Sub-Fund considers both the mandatory factors for principal adverse impacts and optional ones. Principal adverse impacts are considered by limiting investments with high greenhouse gas emissions and by promoting that investment objects limit or cease with unsustainable businesses.

The Sub-Fund works with three methods to include principal adverse impacts on sustainability which are:

- inclusion of investment objects with low impact on the environment or which promotes social characteristics,
- exclusion of investment objects who deem to be harmful for the environment or social characteristics, and
- engagement to make the investment objects limit their negative impact on the environment and/or social impact.

**Active ownership:** the Sub-Fund conducts advocacy work were deemed possible by exercising voting rights and seeking to influence the investment objects in a more sustainable way.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements are:

- Identification and inclusion of investment objects exposed to the funds identified megatrends to make sure the underlying structural market for the investment object is in line with the environmental and social characteristics promoted.
- Individual analysis of each investment object to make sure that it meets the funds predefined investment criteria which take into consideration the funds integrated sustainability framework and where the best investment object within each megatrend is selected.
- Exclusion of investment objects exposed to certain sectors to prevent investments in activities that are deemed to be harmful for the environmental and social characteristics promoted by the Sub-Fund. These are companies whose production or income to some extent are attributable to fossil fuels, such as coal, oil and gas (or energy production that largely consists of fossil fuels), tobacco, pornography and weapons as well as such businesses where more than 5 percent of the turnover comes from the production of alcohol or gambling. The Sub-Fund may select companies where less than 25 percent of the turnover comes from services provided to the companies within the fossil fuel (coal, oil and gas, or energy production that largely consists of fossil fuels) industries. There are no absolute restrictions for businesses that do not produce but distribute alcohol, tobacco or gambling, but in cases where such investments are selected, it must be clearly justified based on the internal analysis carried out by the managers in the other due diligence that is done before decisions on investment. In the screening process the portfolio manager uses GICS classification in the first line to remove companies from the sectors above. The portfolio is also screened through Sustainalytics twice a year to flag any company that goes above established thresholds. In addition, the Sub-Fund assesses potential investment objects that are deemed to have a low impact on the environment or social issues.

In the screening process for these companies the Investment Manager uses GICS classification in the first line to remove companies from these sectors. Also Sustainalytics are screening our portfolios twice a year to flag any company that goes above these thresholds. Finally, in the internal analysis conducted by the portfolio manager the Investment Manager also qualitatively look at the different segments or product groups of the company to make sure there are no breaches of thresholds for the investment objects.

- More information on the exclusion policy is available in the policy for integrating sustainability related risks, on the fund managers website under the sub-page Sustainability.

The binding elements are monitored on an ongoing basis. Due diligence is made both internally and externally on a regular basis by third-party suppliers, such as Sustainalytics. As the regulation and standards of non-financial reporting is under development, data quality, coverage and accessibility remain challenging especially for smaller investment objects and investment objects in developed markets.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

N/A

- **What is the policy to assess good governance practices of the investee companies?**

Lancelot Asset Management has adopted a certain policy for shareholder engagement which indicates how Lancelot Asset Management's engagement work is done also in questions such as environmental-, social- and governance-related issues. In addition, for this specific Sub-Fund, investment objects are screened for good governance by assessing their employee relations, pay practices and management structures. The Sub-Fund excludes investment objects that contravene international norms and conventions related to employees' rights, child labor as well as corruption and bribery.

Relevant principles and guidelines include the UN Global Compact Principles and OECD Guidelines on Multinational Enterprises and conventions such as the UN Convention against Corruption and International Labor Organization Convention.

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Relevant principles and guidelines include the UN Global Compact Principles and OECD Guidelines on Multinational Enterprises.

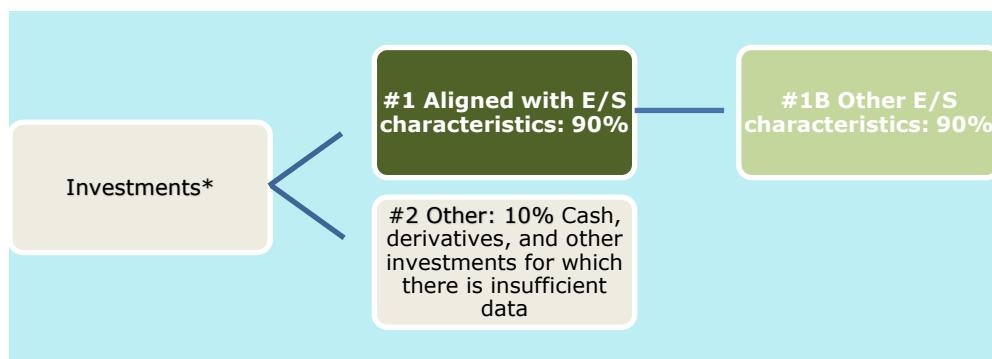
### What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

Out of the investments approximately 90% is aligned with E/S characteristics and 10% is others, such as cash, cash equivalents, derivatives, and other investments for which there is insufficient data.

Out of the 90% aligned with E/S, 100% is other E/S characteristics.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics covers:**

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

\*Investments means the Sub-Fund's net asset value ("NAV") which is the total market value of the Sub-Fund. The asset allocation may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third-party data.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Sub-Fund will primarily invest in sustainability-oriented indices, derivatives or index products if available. For derivatives on individual investment objects as the underlying asset the Investment Manager performs the same analysis as for the underlying asset. For derivatives with an index as the underlying asset the Sub-Fund strives to primarily use indices that consider environmental and/or social characteristics. In the absence of such instruments the Sub-Fund can invest in other index derivatives or index products which are then classified according to below "# 2 Other". Analysis will be conducted to mitigate any potential exposure to investment objects that are not permitted in accordance with the exclusion criteria referenced above.



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?**

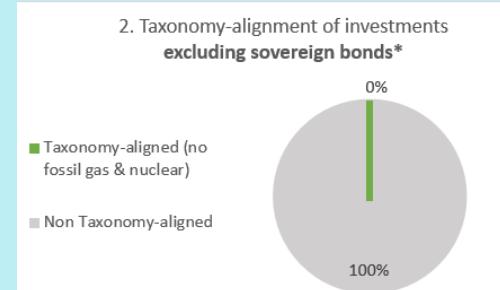
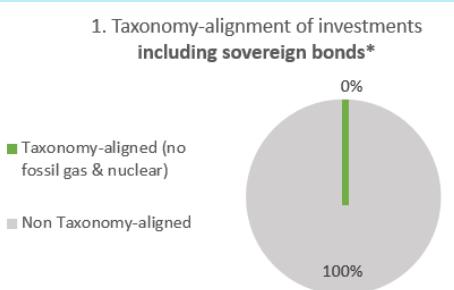
Yes:

In fossil gas

In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*This graph represents 100% of the total investments.*

*\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What is the minimum share of investments in transitional and enabling activities?**

N/A

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 <p>are sustainable investments with an environmental objective that <b>do not take into account the criteria</b> for environmentally sustainable economic activities under the EU Taxonomy.</p>	<p><b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b> N/A</p> <p><b>What is the minimum share of socially sustainable investments?</b> N/A</p> <p><b>What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?</b></p> <p>Liquid funds may be held as complementary liquidity or for risk balancing purposes and currency related derivatives may be held for risk balancing purposes. This category can also include investments in index products that does not promote environmental related and/or social characteristics but seeks to give a broad exposure, and other investments for which relevant data is not available. For these investments there are no minimum environmental or social safeguards.</p>
 <p>Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote</p>	<p><b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b></p> <p>No</p> <ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b> N/A</li> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b> N/A</li> <li><b>How does the designated index differ from a relevant broad market index?</b> N/A</li> <li><b>Where can the methodology used for the calculation of the designated index be found?</b> N/A</li> </ul>
 <p>Where can I find more product specific information online? More product-specific information can be found on the website: <a href="https://www.lancelot.se/hallbarhet">https://www.lancelot.se/hallbarhet</a></p>	