DNB FUND

Prospectus

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Luxembourg, le 2014-04-04
Commission de Surveillance du Secteur Financier

April 2014

DNB FUND

A Luxembourg Collective Investment Fund

organised under the part I of the law dated December 17th, 2010
on undertakings for collective investment

managed by

DNB ASSET MANAGEMENT S.A.

April 2014

Issued with a view to permanent public issuing of registered Units of joint ownership.

This Prospectus will only be valid if distributed together with the latest annual report and the latest semi-annual report if published thereafter as well as the Management Regulations of the Fund. These reports form an integral part of this Prospectus.

This Prospectus may not be distributed in the United States of America.

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

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

MANAGEMENT COMPANY

DNB ASSET MANAGEMENT S.A.
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LUXEMBOURG

BOARD OF DIRECTORS

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Group Executive Director
DNB Group
Dronning Eufemias gate 30
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DEPOSITARY BANK, CENTRAL ADMINISTRATION

CACEIS BANK LUXEMBOURG
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INVESTMENT MANAGER AND SUB-MANAGER

Investment Manager:

DNB ASSET MANAGEMENT AS
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OTHER AGENTS

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Ernst & Young
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L-5365 Munsbach
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I. FORMATION - LEGAL STATUS

DNB FUND (the "**Fund**") as a collective investment fund governed by part I of the Luxembourg law of December 17th, 2010 on undertakings for collective investment (hereinafter referred to as the "UCI Law") does not have a legal personality. Its assets are the undivided joint property of the holders of units of the different sub-funds of the Fund (defined as "**Units**", their holders as "**Unitholders**") and are separate from the assets of the management company DNB ASSET MANAGEMENT S.A. (the "**Management Company**"). There is no restriction on the amount of the Fund's assets or on the number of its Units.

The Fund is divided into several equity, bond and alternative investment sub-funds (the "**Sub-Funds**"), for various geographical areas or industrial sectors in which investments will be made (cf. "Equity Sub-Funds", "Bond Sub-Funds" and "Alternative Investment Sub-Funds" chapters below).

The Fund is set up in accordance with management regulations (the "**Management Regulations**") signed initially in Luxembourg on August 27, 1990. A copy of these Management Regulations was deposited with the Chief Registrar of the District Court of and in Luxembourg on August 31, 1990 and published in the *Mémorial, Recueil des Sociétés et Associations* ("**Mémorial**"), n° 398 as of October 25, 1990.

The Management Regulations were amended for the last time on October 25, 2013 and are effective as of December 2013. Such amendment was deposited with the Luxembourg companies' register and a notice regarding such deposit was published in the Mémorial on December 9, 2013.

II. ELIGIBLE INVESTOR

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States or of any other jurisdiction. Units will not be offered or sold within the United States or to or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act "U.S. Persons").

III. LISTING

Unless specifically provided for a given Sub-Fund or for a given class of Units of the Sub-Fund, none of the Units of any Sub-Fund and of any category of the Fund will be listed on any stock-exchange.

IV. MANAGEMENT REGULATIONS

The rights and duties of the Unitholders of each Sub-Fund, the Management Company, the Depositary Bank and the Investment Manager are determined by the Management Regulations.

Copies of the Management Regulations are available free of charge from the offices of the Depositary Bank, CACEIS BANK LUXEMBOURG, 5 Allée Scheffer, L-2520 LUXEMBOURG, and from DNB ASSET MANAGEMENT S.A., same address.

The Management Company may, by mutual agreement with the Depositary Bank, make any amendment to the Management Regulations which will enter into force upon the date of its execution unless otherwise provided in the respective amendment agreement. Any such amendment will be deposited with the Luxembourg companies' register and a notice regarding such deposit will be published in the *Mémorial*.

V. OBJECTIVES OF THE EQUITY SUB-FUNDS

1. General Investment Objectives

The main objective of the Equity Sub-Funds is the realisation of long-term capital growth coupled with security of the underlying assets.

The Sub-Funds have long-term investment horizons and therefore purchase of Units in the Sub-Funds should be regarded as long-term investment.

The Sub-Funds have been formed to provide investors with a convenient means of participating in a professionally-managed portfolio of transferable securities, principally shares.

The Sub-Funds may, however, acquire investments other than shares, and details of such investments and the related restrictions which apply to such investments are described below.

In order to achieve its main objective, the Sub-Funds' portfolio will include shares, depository receipts, options on securities, rights, warrants on transferable securities traded on a recognised stock exchange or another regulated market.

The portfolio will be actively managed, and investments centred on those companies which have been identified as offering prospects for capital growth.

In Sub-Funds investing in a specific geographical area or industrial sector, emphasis will be given to the investments and currencies related to the specific objective of that Sub-Fund. All references to a specific geographical area have to be understood as being references to (i) the area in which the issuer is domiciled or (ii) the area in which the issuer carries on the predominant portion of its business activities or (iii) the area in which the relevant securities are listed.

The term “Emerging Countries” as used in the Prospectus includes in particular the following countries: Argentina, Brazil, Bulgaria, Chile, China, Colombia, Czech Republic, Egypt, Estonia, Hungary, Greece, India, Indonesia, Kenya, Korea, Latvia, Lithuania, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Peru, Philippines, Poland, Qatar, Romania, Russia, South Africa, Taiwan, Thailand, Turkey, Ukraine, UAE, Vietnam and Venezuela as well as such other countries as determined from time to time by the Management Company as being “Emerging Countries”.
When appropriate, the Sub-Funds will include fixed interest securities in the portfolio.

Furthermore, with a view to maintaining adequate liquidity, the Fund may hold ancillary liquid assets. The latter may cover cash, short-term bank deposits, as well as money market instruments normally dealt in on the money market, fulfilling one of the following criteria: a) they have a maturity at issuance of up to and including 397 days; (b) they have a residual maturity of up to and including 397 days; (c) they undergo regular yield adjustments in line with money market conditions at least every 397 days; (d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in points (a) or (b), or are subject to a yield adjustment as referred to in point (c).

2. Risk Profile

The Unitholders shall be aware that the value of the Units may fall as well as rise and the invested capital may not be fully repaid.
The profit deriving from the Units may fluctuate and fluctuations within the exchange rates may cause the net asset value of Units to go up or down. The levels and basis of, and relief from, taxation may vary. There can be no assurance that the investment objectives of the Fund will be achieved.

Investing in equity securities may offer a higher rate of return than those in short term and long term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment 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 any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values 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.

3. Profile of Targeted Investors

The Equity Sub-Funds are suitable for more experienced investors wishing to attain defined investment objectives. The investor must have experience with volatile products. The investor must be able to accept significant temporary losses, thus these Sub-Funds are suitable to investors who can afford to set aside the capital for at least 5 years. They are designed for the investment objective of building up capital. For investors holding a portfolio of securities, it can play the role of a core position.

4. Total Annual Return and ongoing charges

An overview of the Equity Sub-Funds' past performance will be attached to the respective key investor information document as a separate document. Past performance is not indicative of future results. An indication of the respective Sub-Fund's ongoing charges will be attached to the information regarding historical performance.

VI. EQUITY SUB-FUNDS

DNB FUND – GLOBAL SRI

Emphasis is placed on socially responsible investments (SRI) in equities without being restricted to a specific geographical area or industrial sector. The portfolio of this Sub-Fund comprises equities of any part of the world.

The net asset value per Unit is expressed in EUR. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both Sub-Funds following the conversion request.

The management fee for Units of Unit Class retail A is 1.50 % per annum of the Sub-Fund's net assets, paid monthly. No performance fee will be levied.

The management fee for Units of Unit Class institutional A is 0.75 % per annum of the Sub-Fund's net assets, paid monthly. No performance fee will be levied.

DNB FUND - FAR EAST

Emphasis is placed on investment in equities in Hong Kong, Singapore, Taiwan, Korea, Malaysia, Thailand, Indonesia, the Philippines, India, Australia, New Zealand and other countries in the Far East excluding Japan.

Potential Unitholders are warned that, on some Asian markets, the national legislation provides for a contingent liability that is the payment of a deferred tax on the net profit of securities acquired by the Sub-Fund.

The net asset value per Unit is expressed in EUR. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both Sub-Funds following the conversion request.

The management fee is 1.25 % per annum of the Sub-Fund's net assets, paid monthly. No performance fee will be levied.

DNB FUND - ASIAN SMALL CAP

Emphasis is placed on investments in small and medium capitalization companies in Asia ex-Japan, and especially in listed equities or equity-related securities (such as convertible bonds, global depositary receipts and shares).

Potential investors in the Sub-Fund are warned that investment in the Sub-Fund is subject to a high degree of risk. Units of the Sub-Fund are only suitable for investors who can fully evaluate the risks involved. Specifically it should be noted that the benchmark index for the Sub-Fund cannot be relied upon as an indicator of risk due to the fact that the portfolio of the Sub-Fund may differ substantially from that of the benchmark index. Consequently, the risk associated with the Sub-Fund may also be substantially higher than that of the benchmark index.

The Sub-Fund's benchmark index is MSCI AC Asia Pacific ex Japan Index Net.

Potential Unitholders are warned that, on some Asian markets, the national legislation provides for a contingent liability, that is, the payment of a deferred tax on the net profit of securities acquired by the Sub-Fund.

The net asset value per Unit is expressed in EUR. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both sub-funds following the conversion request.

The management fee is 1.75 % per annum of the Sub-Fund's net assets, paid monthly. No performance fee will be levied.

DNB FUND - GLOBAL EMERGING MARKETS SRI

Emphasis is placed on socially responsible investments (SRI) in the stock markets of any or all Emerging Countries in Latin-America, Asia, Eastern-Europe, Africa and the Near-East. Investments in the above mentioned stock markets may also be done indirectly through depository receipts, listed on any stock exchange or regulated market.

These stock markets qualify either as stock exchanges or as regulated markets which operate regularly and are recognized and open to the public in the meaning of Article 41 (1) of the UCI Law. The stocks which are not dealt on stock exchanges or regulated markets as described hereabove are subject to Article 41 (2) of the UCI Law.

Potential investors in the Sub-Fund are warned that investment in the Sub-Fund is subject to a high degree of risk. Units of the Sub-Fund are only suitable for investors who can fully evaluate the risks involved. Indeed the risks inherent in investment in Emerging Countries' securities are significant, and differ in kind and degree from the risks presented by investments in the world's major securities markets. In addition to the usual risks associated with equity investments, these risks include political, regulatory and economic risks that may be substantially greater than those associated with other financial markets. Although stock markets in certain Emerging Countries have provided substantial returns in recent years, there can be no assurance that such performance will continue.

Potential Unitholders are warned that, on some Asian markets, the national legislation provides for a contingent liability, that is, the payment of a deferred tax on the net profit of securities acquired by the Sub-Fund.

The net asset value per Unit is expressed in USD. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both sub-funds following the conversion request.

The management fee is 1.75 % per annum of the Sub-Fund’s net assets, paid monthly. No performance fee will be levied.

DNB FUND - SCANDINAVIA

Emphasis is placed on investments in equities in Denmark, Finland, Norway and Sweden.

The net asset value per Unit is expressed in EUR. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both sub-funds following the conversion request.

The management fee for Units of Unit Class retail A is 1.50% per annum of the Sub-Fund's net assets, paid monthly. No performance fee will be levied.

The management fee for Units of Unit Class A (N) is 0,625% per annum of the Sub-Fund's net assets, paid monthly. No performance fee will be levied.

The management fee for Units of Unit Class institutional A is 0,75% per annum of the Sub-Fund's net assets, paid monthly. No performance fee will be levied.

DNB FUND - INDIA

Emphasis is placed on investments in equities in India. Investments in the Indian stock market may also be done indirectly through depository receipts, listed on any stock exchange or regulated market. Derivatives (including in particular options and futures contracts) on the above mentioned listed equities might also be used, on an ancillary basis, in order to obtain exposure to the Indian equity market.

These stock markets qualify either as stock exchanges or as regulated markets which operate regularly and are recognized and open to the public in the meaning of Article 41 (1) of the UCI Law. The stocks which are not dealt on stock exchanges or regulated markets as described hereabove are subject to Article 41 (2) of the UCI Law.

Potential investors in the Sub-Fund are warned that investment in the Sub-Fund is subject to a high degree of risk. Units of the Sub-Fund are only suitable for investors who can fully evaluate the risks involved. Indeed the risks inherent in investment in Emerging Countries' securities are significant, and differ in kind and degree from the risks presented by investments in the world's major securities markets. In addition to the usual risks associated with equity investments, these risks include political, regulatory and economic risks that may be substantially greater than those associated with other financial markets. Although stock markets in certain Emerging Countries have provided substantial returns in recent years, there can be no assurance that such performance will continue.

The net asset value per Unit is expressed in EUR. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both Sub-Funds following the conversion request.

The management fee is 1.50 % per annum of the Sub-Fund's net assets, paid monthly. In addition a performance fee of 20% of the excess yield in relation to the Sub-Fund's benchmark index could be levied. The Sub-Fund's benchmark index is MSCI India. Please refer to Chapter XIV for detailed information on conditions and calculations of performance fees.

DNB FUND – CHINA CENTURY

Emphasis is placed on investments in small and mid capitalization companies in China, and especially in listed equities or equity-related securities (such as convertible bonds, global depositary receipts and participatory notes). Nonetheless, the Sub-Fund may hold up to 10% of its total assets in unlisted securities. The Sub-Fund may also invest in larger capitalization companies at times when this is thought to be in the best interest of Unitholders. Derivatives (including in particular options and futures contracts) on the above mentioned listed equities might also be used, on an ancillary basis, in order to obtain exposure to the Chinese equity market.

The above mentioned stock markets qualify either as stock exchanges or as regulated markets which operate regularly and are recognized and open to the public in the meaning of Article 41 (1) of the UCI Law. The stocks which are not dealt on stock exchanges or regulated markets as described hereabove are subject to Article 41 (2) of the UCI Law.

Investments in the Chinese A-share market will only be made indirectly through other instruments such as p-notes (also known as low strike price warrants). In this respect, the Sub-Fund may, as a general principle, not have an exposure of more than 35% of its net assets to Chinese A-shares. Potential Unitholders are warned of the increased risks related to such investments, in particular the liquidity risk.

Potential investors in the Sub-Fund are warned that investment in the Sub-Fund is subject to a very high degree of risk. Units of the Sub-Fund are only suitable for investors who can fully evaluate the risks involved. Indeed the risks inherent in investment in Emerging Countries' securities are significant, and differ in kind and degree from the risks presented by investments in the world's major securities markets. In addition to the usual risks associated with equity investments, these risks include political, regulatory and economic risks that may be substantially greater than those associated with other financial markets.

Potential Unitholders are warned that, on some Asian markets, the national legislation provides for a contingent liability, that is, the payment of a deferred tax on the net profit of securities acquired by the Sub-Fund.

Attention is also drawn to the substantial added risk related to the investment universe of this Sub-Fund consisting of securities of smaller companies. The latter is inherently associated with more risk compared to a universe of larger and more mature companies. Although stock markets in certain Emerging Countries have provided substantial returns in recent years, there can be no assurance that such performance will continue.

The net asset value per Unit is expressed in EUR. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both Sub-Funds following the conversion request.

The management fee is 1.50 % per annum of the Sub-Fund’s net assets, paid monthly. In addition a performance fee of 20% of the excess yield in relation to the Sub-Fund’s benchmark index could be levied. The Sub-Fund’s benchmark index is MSCI China. Please refer to Chapter XIV for detailed information on conditions and calculations of performance fees.

DNB FUND – NAVIGATOR

The Sub-Fund will mainly invest in the equity of shipping companies and companies in the offshore oil-industry, but can also invest in cruise and oil companies. Geographically the Sub-Fund will have full flexibility to invest in all such markets that are deemed to have the greatest potential at various times.

The Sub-Fund invests in potentially very volatile equities. Potential investors in the Sub-Fund are warned that investment in the Sub-Fund is consequently subject to a high degree of risk. Units of the Sub-Fund are only suitable for investors who can fully appreciate the risks involved.

The net asset value per Unit is expressed in NOK. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both Sub-Funds following the conversion request.

The management fee is 1.50 % per annum of the Sub-Fund’s net assets, paid monthly. In addition a performance fee of 20% of the excess yield in relation to the Sub-Fund’s benchmark index could be levied. The Sub-Fund’s benchmark index is 50% OSE101010 and 50% (OSE203030 + OSE10102040). The benchmark is rebalanced monthly. Please refer to Chapter XIV for detailed information on conditions and calculations of performance fees.

DNB FUND - PRIVATE EQUITY

The Sub-Fund will mainly invest in the global private equity sector through exposure in other UCITS(s), UCI(s), Exchange Traded Funds (ETFs), listed private equity investment trusts (PEITS), indices and listed equities of companies investing in the private equity sector. Derivatives (including in particular options and futures contracts) on the above mentioned UCITS(s), UCI(s), Exchange Traded Funds (ETFs), listed private equity investment trusts (PEITS), indices and listed equities might also be used, on an ancillary basis, in order to obtain exposure to the private equity sector. Geographically the Sub-Fund has full flexibility.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The net asset value per Unit is expressed in EUR. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

NOTE: The Management Company may decide that no dividends are to be paid in any particular year with no regards to whether dividends were paid the previous year(s). The Sub-Fund can therefore not be relied upon as a source of cash flow. Potential dividends will be paid on an annual basis.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both Sub-Funds following the conversion request.

The management fee is 1.75 % per annum of the Sub-Fund’s net assets, paid monthly. No performance fee will be levied.

DNB FUND - RENEWABLE ENERGY

Emphasis is placed on investments in the equities of companies operating in the renewable energy sector. Geographically the Sub-Fund has full flexibility.

The net asset value per Unit is expressed in EUR. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both Sub-Funds following the conversion request.

The management fee is 1.50 % per annum of the Sub-Fund’s net assets, paid monthly. In addition a performance fee of 20% of the excess yield in relation to the Sub-Fund’s benchmark index could be levied. The Sub-Fund’s benchmark index is the WilderHill New Energy Global Innovation Index (NEXUST). Please refer to Chapter XIV for detailed information on conditions and calculations of performance fees.

DNB FUND - TECHNOLOGY

Emphasis is placed on investments in the equities of companies operating in or associated with the technology, media and telecom sectors. Geographically the Sub-Fund has full flexibility.

The net asset value per Unit is expressed in EUR. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both Sub-Funds following the conversion request.

The management fee for Units of Unit Class retail A is 1.50 % per annum of the Sub-Fund’s net assets, paid monthly.

The management fee for Units of Unit Class retail A (USD) is 1.50 % per annum of the Sub-Fund’s net assets, paid monthly.

The management fee for Units of Unit Class institutional A is 0.75 % per annum of the Sub-Fund’s net assets, paid monthly.

The management fee for Units of Unit Class institutional A (USD) is 0.75 % per annum of the Sub-Fund’s net assets, paid monthly.

In addition a performance fee of 20% of the excess yield in relation to the Sub-Fund’s benchmark index could be levied. The Sub-Fund’s benchmark index is a custom TMT (Technology, Media and Telecom) benchmark generated based on the value of three Large Cap developed world indices. The indices are MSCI Technology, MSCI Media and MSCI Telecom.

The weights in the composed index are set to 66% of MSCI Technology, 12% of MSCI Media and 22% of MSCI Telecom as of 31.03.2010. The weights of the sub-indices are reset annually (reset to reflect original weights) at the end of the calendar year and rounded to the nearest 1% based on the market capitalization of the companies within the indices.

Single Sector Index (Reuter code)
2540: MSCI Media (MSNRWO0MD)
45: MSCI Technology (MSNRWO0IT)
50: MSCI Telecom (MSNRWO0TC)

Please refer to Chapter XIV for detailed information on conditions and calculations of performance fees.

DNB FUND – GLOBAL VALUE & MOMENTUM

Emphasis is placed on investments in equities without being restricted to a specific geographical area or industrial sector. The portfolio of this Sub-Fund comprises equities from any part of the world.

The net asset value per Unit is expressed in USD. The Sub-Fund may invest in futures contracts in order to hedge risks. The fund may periodically invest in Exchange Traded Funds (ETFs).

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The management fee is 1.5 % per annum of the Sub-Fund's net assets, paid monthly. No performance fee will be levied. Initial subscriptions must be for a minimum amount equivalent to USD 10.000.

VII. OBJECTIVES OF THE BOND SUB-FUNDS

1. General Investment Objectives

The main objective of the Bond Sub-Funds will be to provide high income together with the protection of capital by prudent investment management.

The level of income may be subject to fluctuations, reflecting variations in the spread of currencies and in the level of interest obtainable on the Fund's investments.

The policy of the Sub-Funds will be to invest in a portfolio of high-quality securities, principally fixed or floating rate debt securities.

The Sub-Funds may also invest in options on securities, warrants, and, for the purpose of risk hedging or efficient portfolio management, in financial futures. Within the overall parameters of the Sub-Funds, the portfolio will be balanced as to currencies, issuers and guarantors.

Although the value of the Sub-Funds' Units and the income from them can go down as well as up, the Sub-Funds will seek to protect Unitholders' interest by anticipating movements in exchange and interest rates on a medium to-long term basis.

The Sub-Funds' portfolios may also include securities with equity features such as conversion rights or subscription warrants, but it will be the policy of the Sub-Funds that such securities (including equities resulting therefrom) should not amount in aggregate to more than 15 per cent of the total net assets of the Sub-Fund concerned. In Sub-Funds investing in specific geographical area or category of debt securities, emphasis will be given to the investments and currencies related to the specific objective of that Sub-Fund. All references to a specific geographical area have to be understood as being references to (i) the area in which the issuer is domiciled or (ii) the area in which the issuer carries on the predominant portion of its business activities or (iii) the area in which the relevant securities are listed.

Furthermore, with a view to maintaining adequate liquidity, the Fund may hold ancillary liquid assets. The latter may cover cash, short-term bank deposits, as well as regularly traded money market instruments the residual maturity of which does not exceed 12 months.

2. Risk Profile

The Unitholders shall be aware that the value of the Units may fall as well as rise and the invested capital may not be fully repaid.
The profit deriving from the Units may fluctuate and fluctuations within the exchange rates may cause the net asset value of Units to go up or down. The levels and basis of, and relief from, taxation may vary. There can be no assurance that the investment objectives of the Fund will be achieved.

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

As a Bond Sub-Fund may invest part of its net assets in lower rated bonds, the investors' attention is drawn to the fact that such bonds may be considered speculative and that they tend to be more volatile than higher rated bonds. In addition, investment in lower rated bonds is subject to greater risk of loss of principal and interest (including the risk of default) than higher rated bonds.

Potential investors should note that warrants on transferable securities, although expected to provide higher returns than transferable securities due to their high leverage, are subject to volatility in their price and subsequent greater risk of loss. Moreover, these instruments can lose their entire value.

3. Profile of Targeted Investors

The Bond Sub-Funds are suitable for conservative or less experienced investors including those who are not interested in or informed about capital market topics, but who see investment funds as a convenient product. They are suitable for more experienced investors wishing to attain defined investment objectives. Experience with capital market products is not required. The investor must be able to accept moderate temporary losses, thus these Sub-Funds are suitable to investors who can afford to set aside the capital for at least 2-3 years. These Sub-Funds are designed for the investment objective of building up capital. For an investor's portfolio, they can play the role of a core position.

4. Total Annual Return and ongoing charges

An overview of the Bond Sub-Funds' past performance will be attached to the respective key investor information document as a separate document. Past performance is not indicative of future results. An indication of the respective Sub-Fund's ongoing charges will be attached to the information regarding historical performance.

VIII. BOND SUB-FUNDS

DNB FUND SEK LONG BOND

This Sub-Fund is limited to investments in Swedish Kronor (“SEK”) - denominated transferable debt securities with an average maturity of more than one and a half years.

The net asset value per Unit of this Sub-Fund is expressed in SEK. Units of Unit Class institutional A are currently subject to a Luxembourg tax at an annual rate of 0.01% (instead of 0.05% due by the Unit Classes retail A and retail B). Dividend payments are made annually. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The management fee is maximum 0.70 % per annum of the Sub-Fund’s net assets, payable monthly. No performance fee will be levied.

DNB FUND SEK SHORT BOND

This Sub-Fund is limited to investments in SEK - denominated transferable debt securities, which have an average residual maturity of maximum twelve months. Debt securities, for which interest rate are revised at least annually according to market conditions, are to be regarded as debt securities with a residual maturity of maximum twelve months.

The net asset value per Unit of this Sub-Fund is expressed in SEK. Units of Unit Classes retail A and retail B are offered, dividends payment is made annually. The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The management fee is maximum 0.35 % per annum of the Sub-Fund’s net assets, payable monthly. No performance fee will be levied.

The Sub-Fund is, due to its investment policy, currently subject to a Luxembourg tax at an annual rate of 0.01% (instead of 0.05% due in principle by the other Sub-Funds).

IX. OBJECTIVES OF THE ALTERNATIVE INVESTMENT SUB-FUNDS

1. General Investment Objectives

The main objective of the Alternative Investment Sub-Funds is the realisation of long-term capital growth through direct or indirect investments in securities and instruments relevant to the particular Sub-Fund.

The Sub-Funds have long-term investment horizons and therefore purchase of Units in the Sub-Funds should be regarded as long-term investments.

The Sub-Funds may acquire other assets than equities (including equity-related securities), fixed or floating rate debt securities and details of such investments and the related restrictions which apply to such investments are described below.

In order to achieve its main objective, the Sub-Funds' portfolio may also include financial derivative instruments, including but not limited to financial futures contracts, options (on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments), forward contracts (including foreign exchange contracts), depository receipts, rights, warrants on transferable securities traded on a recognised stock exchange or another regulated market, swaps (including total return swaps, foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equities, volatility swaps and variance swaps), credit derivatives (including credit default derivatives, credit default swaps and credit spread derivatives), warrants, and structured financial derivative instruments such as credit-linked and equity-linked securities. To the degree the Sub-Funds will have any exposure to asset backed or mortgage backed securities (ABS or MBS), such exposure will never exceed 20 % of the portfolio of the respective Sub-Fund.

Should the Alternative Investment Sub-Funds enter into total return swaps or invest in other comparable financial derivative instruments the following information will be added to the respective sub-fund’s section:

(i) Information on the underlying strategy and composition of the investment portfolio;
(ii) Information on the counterparty/counterparties of the transactions;
(iii) The extent to which the counterparty assumes any discretion over the composition or management of the respective sub-fund’s portfolio or over the underlying of the financial derivative instruments, and whether the approval of the counterparty is required in relation to such sub-fund’s investment portfolio transaction;
(iv) (if applicable) identification of the counterparty as investment manager.

The portfolio will be actively managed, and investments centred on those companies which have been identified as offering prospects for capital growth or, reversely, on companies with negative prospects through the use of financial derivatives whereby a fall in the equity price will result in an increase in the financial derivative's value.

In Sub-Funds investing in a specific geographical area or industrial sector, emphasis will be given to the investments and currencies related to the specific objective of that Sub-Fund. All references to a specific geographical area have to be understood as being references to (i) the area in which the issuer is domiciled or (ii) the area in which the issuer carries on the predominant portion of its business activities or (iii) the area in which the relevant securities are listed.

When appropriate, the Sub-Funds will include fixed interest securities in the portfolio.

Furthermore, with a view to maintaining adequate liquidity, the Fund may hold ancillary liquid assets. The latter may cover cash, short-term bank deposits, as well as regularly traded money market instruments the residual maturity of which does not exceed 12 months.

2. Risk Profile

The Unitholders shall be aware that the value of the Units may fall as well as rise and the invested capital may not be fully repaid.
The profit deriving from the Units may fluctuate and fluctuations within the exchange rates may cause the net asset value of Units to go up or down. The levels and basis of, and relief from, taxation may vary. There can be no assurance that the investment objectives of the Fund will be achieved.

Investing in Alternative Investment Sub-Funds may offer a higher rate of return than those in short term and long term debt securities. However, the risks associated with investments in Alternative Investment Sub-Funds may also be higher, because the investment performance of such Sub-Funds 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 or positions taken. The fundamental risk associated with any alternative investment portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. In particular the use of financial derivative instruments for investment purposes may increase the volatility of the net asset value per Unit, which may result in higher losses for the Investor. Potential investors should note that warrants on transferable securities, although expected to provide higher returns than transferable securities due to their high leverage, are subject to volatility in their price and subsequent greater risk of loss. Moreover, these instruments can lose their entire value. For further details of the risks applicable to investing in these Sub-Funds, please refer to Chapter XII, Investment Restrictions, Risk Factors, as well as to the information provided below for the individual Sub-Fund.

3. Profile of Targeted Investors

The Alternative Investments Sub-Funds are suitable for experienced investors. The investor must have experience with volatile products. The investor must be able to accept significant temporary losses, thus these Sub-Funds are suitable to investors who can afford to set aside the capital for at least 5 years. They are designed for the investment objective of building up capital.

4. Total Annual Return and ongoing charges

An overview of the Alternative Investments Sub-Funds' past performance will be attached to the respective key investor information document as a separate document. Past performance is not indicative of future results. An indication of the respective Sub-Fund's ongoing charges will be attached to the information regarding historical performance.

X. ALTERNATIVE INVESTMENT SUB-FUNDS

DNB FUND – ECO Absolute Return

The Sub-Fund aims to achieve a positive absolute return over the long-term regardless of market conditions, by taking long and short positions primarily in equities of or in derivative contracts related to equities of companies operating in or associated with renewable energy and solutions aiming to reduce climate gas emissions (compared to conventional solutions), as well as other solutions aiming to reduce the environmental impact of mankind. Geographically, the Sub-Fund has full flexibility.

The use of derivatives forms an integral and important part of the Sub-Fund's investment strategy. Financial derivative instruments may be employed for instance to generate additional exposure through long or covered short positions to equities. Such financial derivative instruments may include, but are not limited to, over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps (typically, total return swaps, portfolio swaps), forward contracts and/or a combination of the above.

The net asset value per Unit is expressed in EUR. The Sub-Fund will aim to hedge the performance of the Unit Classes in SEK, NOK and USD to replicate the base currency performance of the Sub-Fund on a best effort basis.

The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

The Sub-Fund may also invest at the Investment Manager's discretion in other transferable securities, derivative instruments and collective investment schemes.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The management fee is 1.50 % per annum of the Sub-Fund's net assets, paid monthly. In addition, a performance fee of 20% of the excess yield in relation to the Sub-Fund's benchmark index could be levied. The Sub-Fund's benchmark index is ST1X for the Unit Class retail A (NOK), OMRX TBILL for the Unit Class retail A (SEK), German 3 mth Bubill for the Unit Class retail A (EUR) and USGG3M for the Unit Class retail A (USD). Please refer to Chapter XIV for detailed information on conditions and calculations of performance fees.

The expected level of leverage is between 200% and 400% based on the net asset value of the Sub-Fund.

For further details of the risks applicable to investing in the Sub-Fund, please refer to Chapter IX, Objectives of the Alternative Investment Sub-Funds and Chapter XII, Investment Restrictions, Risk Factors.

DNB FUND – TMT Absolute Return

The Sub-Fund aims to achieve a positive absolute return over the long-term regardless of market conditions, by taking long and short positions primarily in equities of or in derivative contracts related to equities of companies operating in or associated with the technology, media and telecom sectors. Geographically, the Sub-Fund has full flexibility.

The use of derivatives forms an integral and important part of the Sub-Fund's investment strategy. Financial derivative instruments may be employed for instance to generate additional exposure through long or covered short positions to equities. Such financial derivative instruments may include, but are not limited to, over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps (typically, total return swaps, portfolio swaps), forward contracts and/or a combination of the above.

The net asset value of the Sub-Fund per Unit is expressed in EUR. The Sub-Fund will aim to hedge the performance of the Unit Classes in SEK, NOK and USD to replicate the base currency performance of the Sub-Fund on a best effort basis.

The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

The Sub-Fund may also invest at the Investment Manager's discretion in other transferable securities, derivative instruments and collective investment schemes.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The management fee for Units of Unit Classes retail A (EUR), retail A (NOK), and retail A (USD) is 1.50 % per annum of the Sub-Fund's net assets, paid monthly.

The management fee for Units of Unit Classes institutional A and institutional A (USD) is 0.75 % per annum of the Sub-Fund's net assets, paid monthly.

In addition, a performance fee of 20% of the excess yield in relation to the Sub-Fund's benchmark index could be levied. The Sub-Fund's benchmark index is ST1X for the Unit Class retail A (NOK), OMRX TBILL for the Unit Class retail A (SEK), German 3 mth Bubill for the Unit Class retail A (EUR) and USGG3M for the Unit Class retail A (USD). Please refer to Chapter XIV for detailed information on conditions and calculations of performance fees.

The expected level of leverage is between 100% and 300% based on the net asset value of the Sub-Fund.

For further details of the risks applicable to investing in the Sub-Fund, please refer to Chapter IX, Objectives of the Alternative Investment Sub-Funds and Chapter XII, Investment Restrictions, Risk Factors.

DNB FUND – Norway Absolute Return

The Sub-Fund aims to achieve a positive absolute return over the long-term regardless of market conditions, by taking long and short positions primarily in equities or in derivative contracts related to equities listed on the Norwegian Stock Exchange (Oslo Børs) or other Norwegian stock exchanges as the case might be.

The use of derivatives forms an integral and important part of the Sub-Fund's investment strategy. Financial derivative instruments may be employed for instance to generate additional exposure through long or covered short positions to equities. Such financial derivative instruments may include, but are not limited to, over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps (typically, total return swaps, portfolio swaps), forward contracts and/or a combination of the above.

The net asset value of the Sub-Fund per Unit is expressed in EUR. The Sub-Fund will aim to hedge the performance of the Unit Classes in SEK, NOK and USD to replicate the base currency performance of the Sub-Fund on a best effort basis.

The Sub-Fund may engage in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations.

The Sub-Fund may also invest at the Investment Manager's discretion in other transferable securities, derivative instruments and collective investment schemes.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The management fee is 1,50 % per annum of the Sub-Fund's net assets, paid monthly. In addition, a performance fee of 20% of the excess yield in relation to the Sub-Fund's benchmark index could be levied. The Sub-Fund's benchmark index is ST1X for the Unit Class retail A (NOK), OMRX TBILL for the Unit Class retail A (SEK), German 3 mth Bubill for the Unit Class retail A (EUR) and USGG3M for the Unit Class retail A (USD). Please refer to Chapter XIV for detailed information on conditions and calculations of performance fees.

The expected level of leverage is between 50% and 200% based on the net asset value of the Sub-Fund.

For further details of the risks applicable to investing in the Sub-Fund, please refer to Chapter IX, Objectives of the Alternative Investment Sub-Funds and Chapter XII, Investment Restrictions, Risk Factors.

GENERAL

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

As investment in the various Sub-Funds is subject to various risks, see information provided for each Sub-Fund and Chapter XII, Investment Restrictions, Risk Factors. In addition, capital appreciation cannot be guaranteed.

The Sub-Funds may also invest in Emerging Countries that tend to be more volatile than more established markets. Other risk factors such as political and economic conditions should be considered.

Furthermore, as the Sub-Funds may invest globally, they can be exposed to changes in exchange rates which may cause the value of investments to fall or rise independently of the underlying holdings. The Sub-Funds may try to offset the influence of foreign currency fluctuations on the performance of securities by hedging an equivalent amount in the currency markets. However, even if foreign currency exposures are hedged, no guarantee can be given that such hedging will be successful. Hence, the Sub-Funds may have exposure to foreign currency fluctuations despite such hedging activities.

The Sub-Funds may take short positions via derivatives with the aim of profiting from falling prices.

The Sub-Funds may trade instruments, the performance of which depends on the continued solvency of the counterparties to the trades.

The Sub-Funds may employ leverage as part of their investment strategy when using derivatives. Derivatives may contain a leverage component and consequently any adverse changes in the value or level of the underlying asset, rate or index can result in a loss greater than the amount invested in the derivative itself.

Furthermore, investors in the Alternative Investment Sub-Funds should also consider the following risks:

The Alternative Investment Sub-Funds aim to typically deliver absolute (more than zero) returns in each year, although an absolute return performance is not guaranteed and over the short-term the Sub-Funds may experience periods of negative return and consequently may not achieve this objective. Investors can receive a lower return than the amount invested.

These Sub-Funds invest in financial securities and derivative instruments which may be more volatile than other asset classes such as equities, cash or bonds. In particular, the Alternative Investment Sub-Funds may invest in smaller companies (please see in this context the “Risk Factors Relating to Small Cap Companies” in section “Risk factors” below)

XI. TYPE OF UNITS ON OFFER

For each Sub-Fund, the Management Company may decide to issue different classes of Units (“Unit Classes”) that either pay out a dividend to their Unitholders (“B” Units) or that capitalize income (“A” Units) with the result that their value will constantly be greater than that of the "B" Units, in the proportion of the dividends paid to "B" Units.

Regarding the B Units, dividends are paid annually, except for those Sub-Funds where the Management Company decides a monthly, quarterly or semi-annual dividend payment. The periodicity of the dividend payments can be found in the description of each Sub-Fund. Unitholders have the right to convert their Units of one class into Units of another class pursuant to the principles described in the "Conversion" chapter.

A further distinction is made regarding the potential investors in such Units. The Units may either be distributed to retail investors (Unit Classes “retail A” and “retail B”) or institutional investors (Unit Classes “institutional A” or “institutional B”).

The sale of Units of Unit Classes institutional A and institutional B is restricted to institutional investors as referred to in Art. 174, para. 2 of the UCI Law and meeting the conditions resulting from Luxembourg administrative practice, such as financial institutions and professionals of the financial sector subscribing on their own behalf, insurance and reinsurance companies, social security institutions and pension funds, industrial and financial groups and the structures which they put in place to manage their funds.

The Management Company in its sole discretion shall refuse to issue or transfer Units of Unit Classes institutional A and institutional B, if there is not sufficient evidence that the legal entity to which such Units are sold corresponds to the definition such as laid down above.

In considering the qualification of a subscriber as an institutional investor, the Management Company shall have due regard to the guidelines or recommendations (if any) of the relevant supervisory authorities.

Institutional investors subscribing in their own name, but on behalf of a third party, must ensure that such subscription is made on behalf of an institutional investor as aforesaid and the Management Company may require evidence that the beneficial owner of the units is an institutional investor. The foregoing shall however not apply to credit institutions or other professionals of the financial sector established in Luxembourg or abroad, which invest in their own name but on behalf of their non-institutional clients on the basis of a discretionary management mandate.

In addition, Units may also be offered as net fee units, either distributing or accumulating their income (“A (N)” Units or “B (N)” Units). The sale of Units of Unit Classes A (N) and B (N) is restricted to investors that are preapproved by the Management Company. No retrocessions or trailers fees of any kind will be paid to Unitholders of Units of Unit Classes A (N) or B (N).

Please find below an overview of the different Unit Classes offered:

Sub-Funds	Unit Classes	ISIN	management fee	subscription fee	Subscription minimum amount
Equity Sub-Funds					
DNB Fund – Global SRI	retail A	LU0029375739	1.50%	Maximum 5%	1 000 EUR
	institutional		0.75%	None	1 000 000

	A				EUR
DNB Fund – Far East	retail A	LU0029400511	1.25%	Maximum 5%	1 000 EUR
DNB Fund – Asian Small Cap	retail A	LU0067059799	1.75%	Maximum 5%	1 000 EUR
DNB Fund – Global Emerging Markets SRI	retail A	LU0090738252	1.75%	Maximum 5%	1 000 EUR
	retail B	LU0895262136	1.75%	Maximum 5%	1 000 EUR
DNB Fund – Scandinavia	retail A	LU0083425479	1.50%	Maximum 5%	1 000 EUR
	A (N)	LU0894224426	0.625%	Maximum 5%	1 000 EUR
	institutional A		0.75%	None	1 000 000 EUR
DNB Fund – India	retail A	LU0302237721	1.50%	Maximum 5%	1 000 EUR
DNB Fund – China Century	retail A	LU0302238612	1.50%	Maximum 5%	1 000 EUR
DNB Fund – Navigator	retail A	LU0269355474	1.50%	Maximum 5%	1 000 EUR
DNB Fund – Private Equity	retail B	LU0302296065	1.75%	Maximum 5%	1 000 EUR
DNB Fund – Renewable Energy	retail A	LU0302296149	1.50%	Maximum 5%	1 000 EUR
DNB Fund – Technology	retail A	LU0302296495	1.50%	Maximum 5%	1 000 EUR
	retail A (USD)		1.50%	Maximum 5%	1 000 EUR
	institutional A		0.75%	None	1 000 000 EUR
	institutional A (USD)		0.75%	None	1 000 000 EUR
DNB Fund – Global Value and Momentum	retail A USD	LU0411658122	1.50%	Maximum 5%	10 000 USD
Bond Sub-Funds					
DNB Fund – SEK Long Bond	institutional A	LU0312979668	0.70%	None	1 000 EUR
	retail A	LU0029403531	0.70%	None	1 000 EUR
	retail B	LU0029403614	0.70%	None	1 000 EUR
DNB Fund – SEK Short Bond	retail A	LU0029376208	0.35%	None	1 000 EUR
	retail B	LU0029376463	0.35%	None	1 000 EUR

Alternative Investment Sub-Funds					
DNB Fund – ECO Absolute Return	retail A (EUR)	LU0547714286	1.50%	Maximum 5%	1 000 EUR
	retail A (NOK)	LU0547714369	1.50%	Maximum 5%	1 000 EUR
	retail A (SEK)	LU0547714443	1.50%	Maximum 5%	1 000 EUR
	retail A (USD)	LU0894224004	1.50%	Maximum 5%	1 000 EUR
DNB Fund – TMT Absolute Return	retail A (EUR)	LU0547714526	1.50%	Maximum 5%	1 000 EUR
	retail A (NOK)	LU0547714799	1.50%	Maximum 5%	1 000 EUR
	retail A (SEK)	LU0547714872	1.50%	Maximum 5%	1 000 EUR
	retail A (USD)	LU0894224186	1,50%	Maximum 5%	1 000 EUR
	institutional A		0.75%	None	1 000 000 EUR
	institutional A (USD)		0.75%	None	1 000 000 EUR
DNB Fund – Norway Absolute Return	retail A (EUR)	LU0719363177	1.50%	Maximum 5%	1 000 EUR
	retail A (NOK)	LU0719363417	1.50%	Maximum 5%	1 000 EUR
	retail A (SEK)	LU0719363250	1.50%	Maximum 5%	1 000 EUR
	retail A (USD)	LU0894224269	1.50%	Maximum 5%	1 000 EUR

XII. INVESTMENT RESTRICTIONS

1. Investment objective and investment policy

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of its Unitholders within the limits set forth under “Investment Restrictions”. In order to achieve the investment objective, the assets of the Fund will be invested in transferable securities or other assets permitted by the UCI Law.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objective will be achieved.

The investment policies and structure applicable to the various Sub-Funds created by the Management Company is described in sections V to VIII above. If further Sub-Funds are created the Prospectus will be updated accordingly.

2. Investment restrictions

The Management Company shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Sub-Fund, the Reference Currency of a Sub-Fund and the course of conduct of the management and business affairs of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund, the investment policy shall comply with the rules and restrictions laid down hereafter.

For best understanding, the following concepts are defined hereafter:

Group of Companies	Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts or according to recognized international accounting rules, as amended from time to time
Member State	A member state of the European Union. Other than the member states of the European Union, the states that are contracting parties to the agreement creating the European Economic Area, within the limits set forth by such agreement and related acts, are considered as equivalent to members states of the European Union.
Money Market Instruments	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as Money Market Instruments, as defined by regulations or guidelines issued by the Regulatory Authority from time to time
Other Regulated Market	Market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public
Other State	Any state in the world which is not a Member State, and any State of America, Africa, Asia, Australia and Oceania
Reference Currency	Currency denomination of the relevant class of units or Sub-Fund.

Regulated Market	A regulated market means a regulated market in the meaning of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments , i.e. a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of the Directive 2004/39/EC.
Regulatory Authority	The Luxembourg *Commission de Surveillance du Secteur Financier* or its successor in charge of the supervision of the undertakings for collective investment in the Grand-Duchy of Luxembourg.
Transferable Securities	-shares and other securities equivalent to shares; -bonds and other debt instruments; -any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments
UCI	Undertaking for collective investment.

A. Investments in the Sub-Funds may consist solely of:

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

(2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;

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

(4) 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 Regulated Market, stock exchange or on an Other Regulated Market as described under (1)-(3) above;

- such admission is secured within one year of issue;

(5) units or shares of UCITS and/or other UCIs within the meaning of Article 1 (2) points (a) and (b) of Directive 2009/65/EC*,* as amended, whether or not established in a Member State, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong and Japan);

- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;

- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- no more than 10 % of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

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

(7) financial derivative instruments, in particular options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:

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

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority, and

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

(ii) Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.

(8) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market and which fall within the definition given in the above glossary of terms of the investment restrictions, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more member states of the European Union belong, or

- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above, or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law; or

- issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 euro) and which presents and publishes its annual accounts in accordance with the European Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(9) to the extent permissible by the UCI Law, securities issued by one or several other Sub-Funds of the Fund (the “**Target Sub-Fund**”), under the following conditions:

A. the Target Sub-Fund does not invest in the investing Sub-Fund;

B. not more than 10% of the assets of the Target Sub-Fund may be invested in other Sub-Funds of the Fund;

C. the voting rights linked to the transferable securities of the Target Sub-Fund are suspended during the period of investment;

D. in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net asset value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and

E. there is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund of the Fund having invested in the Target Sub-Fund and this Target Sub-Fund.

B. Each Sub-Fund may however:

(1) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under A (1) through A (4) and A (8).

(2) Hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Management Company considers this to be in the best interest of the unitholders.

(3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures

contracts are not deemed to constitute "borrowings" for the purpose of this restriction.

(4) Acquire foreign currency by means of a back-to-back loan.

C. In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

(a) Risk Diversification rules

For the purpose of calculating the restrictions described in 1 to 5 and 8 to 14 hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.

- ***Transferable Securities and Money Market Instruments***

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

(i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such single issuer; or

(ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

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

(3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control 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. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).

(6) **Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a member state of the European Union, by its local authorities, by any other member state of the Organization for Economic Cooperation and Development ("OECD") such as the U.S., by certain non-member states of the OECD (currently Brazil, Indonesia, Russia and South Africa), or by a public international body of which one or more member state(s) of the European Union are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.**

(7) Without prejudice to the limits set forth hereunder under (b) below, the limits set forth in (1) are raised to a maximum of 20 % for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Regulatory Authority, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner; and
- the index complies with the requirements set out under the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards the clarification of certain definitions.

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, provided that the investment up to this 35% limit is only permitted for a single issuer.

- ***Bank Deposits***

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

- ***Derivative Instruments***

(9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the

counterparty is a credit institution referred to in A (6) above or 5% of its net assets in other cases.

(10) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (14) and (15). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (1) to (5), (8), (9), (14) and (15).

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A) (7) (ii), and (D) (1) above, as well as with the risk exposure and information requirements laid down in the present Prospectus.

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

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

- ***Master- Feeder structures***

(13) To the extent permissible under the UCI Law, a Sub-Fund may act as a feeder fund (the "**Feeder**"), i.e. invest its assets in another UCITS or the sub-funds thereof.

The following conditions apply: the Feeder must invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS/of the Fund (the "**Master**"), which is not itself a Feeder nor holds units/shares of a Feeder. The Sub-Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:

A. ancillary liquid assets in accordance with Article 41(2) second paragraph of the UCI Law ;

B. financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41(1) point g) and Article 42(2) and (3) of the UCI Law;

C. movable and immovable property which is essential for the direct pursuit of the Fund's business.

When a Sub-Fund qualifying as a Feeder invests in the shares/units of a Master, the Master may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares/units of the Master.

Should a Sub-Fund qualify as a Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in the Sub-Fund's description in this Prospectus. In its annual report, the Fund shall include a statement on the aggregate charges of both the Feeder and the Master.

Should a Sub-Fund qualify as a Master, the Feeder UCITS will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.

- ***Combined limits***

(14) Notwithstanding the individual limits laid down in C (a) (1), (8) and (9) above, a Sub-Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:

- investments in Transferable Securities or Money Market Instruments issued by that body,
- deposits made with that body, and/or
- exposures arising from OTC derivative transactions undertaken with that body.

(15) The limits set out in C (a) (1), (3), (4), (8), (9) and (14) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with C (a) (1), (3), (4), (8), (9) and (14) above may not exceed a total of 35 % of the net assets of each Sub-Fund.

(b) Limitations on Control

(16) The Management Company may not for all its common funds which it manages and which fall within the scope of part I of the UCI Law, invest in voting shares of companies allowing it to exercise a significant influence on the management of the issuer.

(17) The Fund may not acquire (i) more than 10% of the outstanding non-voting units of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding units or units of any one UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above under (16) and (17) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s); and
- shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments

policy the restrictions set forth under C, items (1) to (5), (8), (9), (12) and (14) to (16).

- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at the request of unitholders.

D. In addition, the Fund shall comply in respect of its net assets with the following investment restrictions per instrument:

(1) Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

(2) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30 % of the net assets of a Sub-Fund.

E. Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

(1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.

(2) No Sub-Fund may invest in real estate, or any option, right or interest therein, provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(3) No Sub-Fund may use its assets to underwrite any securities.

(4) No Sub-Fund may issue warrants or other rights to subscribe for units in such Sub-Fund.

(5) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in none fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (5), (7) and (8).

(6) The Fund may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A, items (5), (7) and (8).

F. Notwithstanding anything to the contrary herein contained:

(1) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.

(2) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Unitholders.

The Management Company has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where units of the Fund are offered or sold.

3. Special investment, hedging techniques and instruments and collateral

A. General

Financial derivatives may be used for investment purposes and include, but are not limited to, financial futures contracts, options (on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments), forward contracts (including foreign exchange contracts), swaps (including total return swaps, foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equities, volatility swaps and variance swaps), credit derivatives (including credit default derivatives, credit default swaps and credit spread derivatives), warrants, and structured financial derivative instruments such as credit-linked and equity-linked securities.

When employing techniques and instruments involves the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in Section "Investment Restrictions" above.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in the supplements to this prospectus.

B. Efficient Portfolio Management Techniques

Furthermore, if deemed to be in the best interest of the Sub-Funds and the Unitholders, the Fund may employ techniques and instruments relating to transferable securities and money-market instruments referred to in Article 41 (2) of the UCI Law and Article 11 of the Grand-ducal decree of 8 February 2008 for the purposes of efficient portfolio management and in such case will do so in accordance with the CSSF Circular 13/559 and the ESMA Guidelines 2012/832. In particular, those techniques and instruments will not result in a change of the declared investment objective of the relevant Sub-Fund or add substantial supplementary risks in comparison to the stated risk profile of such Sub-Fund.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives will be combined when calculating counterparty risk limits referred to in this Chapter XII.

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

These techniques and instruments include securities lending transactions, repurchase and reverse repurchase transactions. In making use of such techniques and instruments the following conditions must be complied with:

(1) Securities Lending and Borrowing Transactions

The Management Company on behalf of the Fund and its Sub-Funds may enter into securities lending and borrowing transactions provided that they comply with the following rules in addition to the above mentioned conditions:

(i) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;

(ii) Each Sub-Fund may only lend securities to a borrower either directly or through a standardised lending system organised by a recognised clearing institution or through a lending system organized by a first class financial institution, which is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and which is specialised in this type of transaction. In the context of lending operations, each Sub-Fund must, in principle, receive collateral which complies with the requirements of the CSSF Circular 08/356. If specifically mentioned in the investment policy for a particular Sub-Fund, the relevant Sub-Fund may reinvest the collateral received in the form of cash, subject to compliance with the requirements of the CSSF Circular 08/356.

(iii) Lending transactions may generally not be entered into in respect of more than 50% of the total estimated value of the securities in the portfolio of the respective Sub-Fund and may not be for a period exceeding 30 days. The Management Company should ensure that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

(2) Repurchase and Reverse Repurchase Transactions

The Management Company on behalf of the Fund and its Sub-Funds may on an ancillary basis enter into repurchase agreements which consist of forward transactions at the maturity of which the Management Company on behalf of the Fund and its Sub-Funds (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions.

The Management Company on behalf of the Fund and its Sub-Funds may further enter into reverse repurchase agreements that consis of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the assets sold and the Management Company on behalf of the Fund and its Sub-Funds (buyer) the obligation to return the assets purchased under the transactions.

The Management Company on behalf of the Fund and its Sub-Funds may also enter into transactions that consist of the purchase/sale of securities with a clause reserving the counterparty/Management Company the right to repurchase the securities from the Management Company/counterparty at a price and term specified by the parties in their contractual arrangements.
The Fund's involvement in such transactions is, however, subject to the following rules:

(i) The Fund may not enter into repurchase of reverse repurchase transactions unless the counterparty in such transactions is a first class financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specializing in this type of transaction.

(ii) During the life of a repurchase agreement contract, the Fund cannot sell the securities that are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.

(iii) The Fund must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

(iv) The Fund must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

(iv) Repurchase agreement transactions are expected to take place on an occasional basis only.

(3) Impact of the use of efficient portfolio management techniques on the performance of the Sub-Funds
The impact of the efficient portfolio techniques on performance for the Sub-Funds is the enhancement of the risk/return relationship of the Fund.

C. Management of Collateral and Collateral Policy

General

In the context of OTC financial derivative transactions and efficient portfolio management techniques, the Fund may receive in accordance with CSSF-Circulars 08/356 and 13/559 collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Management Company on behalf of the Fund in such case. All assets received by the Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

Eligible Collateral

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

(i) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
(ii) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
(iii) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
(iv) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Sub-Fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received.
(v) It should be capable of being fully enforced by the Management Company on behalf of the Fund at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Fund may consist of:

(i) Cash and cash equivalents, including short-term bank certificates and money market instruments;

(ii) Bonds with a minimum rating of AA- or comparable issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

Level of Collateral

The Management Company will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At least the following level of collateral may be required by the Company for the different types of transactions:

Type of Transaction	Level of collateral (in relation to volume of transaction concerned
OTC financial derivative transactions	At least 0%
Securities lending and borrowing transactions	At least 105%
Repurchase transactions	At least 105%
Reverse repurchase transactions	At least 105%

Haircut Policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Investment Manager for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Investment Manager under normal and exceptional liquidity conditions.

According to the Company's haircut policy the following discounts will be made:

Type of Collateral	Discount
Cash and cash equivalents, including short-term bank certificates and money market instruments	Up to 5%
Bonds with a minimum rating of AA- or comparable issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope	Up to 5%

Reinvestment of Collateral

Non-cash collateral received by the Fund may not be sold, re-invested or pledged.

Cash collateral received by the Fund can only be:

(i) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

(ii) invested in high-quality government bonds;
(iii) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or
(iv) invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out under the section "Eligible Collateral" above.

The Sub-Fund concerned may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Management Company on behalf of the Fund to the counterparty at the conclusion of the transaction. The respective Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to such Sub-Fund.

4. Risk management process

In accordance with the UCI Law and the applicable regulations, in particular the CSSF Circular 11/512, the Fund will employ a risk-management process, which enables it (i) to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the individual Sub-Fund portfolio, and (ii) to assess the exposure of the Sub-Funds to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Funds. Furthermore, the Management Company or the Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

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

Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net asset value of its portfolio.

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

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

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section Investment Restrictions.

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

Equity and Bond Sub-Funds

As part of the risk management process, the Equity and Bond Sub-Funds use the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions in financial derivative instruments (“**FDIs**”) which may not exceed the total net value of the portfolio of each Sub-Fund.

Rules governing netting and hedging arrangements are taken into account, as well as any leverage generated through reinvestment of collateral.

Under the standard commitment approach, each FDI position is converted into the market value of an equivalent position in the underlying asset of that FDI.

Alternative Investment Sub-Funds

As part of the risk-management process, the global exposure of the Alternative Investment Sub-Funds is measured and controlled by the absolute Value at Risk ("**VaR**") approach.

The calculation of the VaR is conducted on the basis of a one-sided confidence interval of 99%, as well as a holding period of 20 business days.

The Alternative Investment Sub-Funds' VaR is limited by an absolute VaR calculated on the basis of the net asset value of the Sub-Fund and not exceeding a maximum VaR limit of 20%.

The method used for the determination of the level of leverage of the Alternative Investment Sub-Funds is the "sum of the notionals"-approach. The expected level of leverage is explicitly stated under the description of the specific Alternative Investment Sub-Fund in Chapter X.

5. Risk factors

Issuers

The ability of some issuers to repay principal and interest may be uncertain and there is no assurance that any particular issuer(s) will not default.

Investments in unrated corporate securities normally have a higher risk than investments in governmental or bank debt.

Investing in Equity Securities

Investing in equity securities may offer a higher rate of return than those in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment 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 any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values 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.

Investment in Debt Securities / Fixed Income Securities

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

Investments in debt securities may include investments in debt securities paying principal or interest, the amount of which is determined by reference to equity indices, variation of currency exchange rates, variation or differences between interest rates, insurance losses, credit risk, etc. and may therefore be subject to a higher volatility or risk other than interest rate risk. Investments may also be effected in reversed convertible debt securities, i.e. securities offering to the issuer of such securities the option, subject to certain conditions being complied with, to redeem such securities by delivering equity securities of the issuer or another company; such exchange will normally only take place when the equity securities have a market value lower than the repayment amount of the debt securities.

The net asset value of the units of the Sub-Funds invested in fixed income securities may change in response to fluctuations in interest rates and currency exchange rates.

Unrated securities

Unrated securities are subject to the increased risk of an issuer's ability to meet principal and interest obligations. These securities may be subject to greater price volatility due to factors such as specific corporate developments and interest rate sensitivity.

Securities Lending, Repurchase Agreements and Reverse Repurchase Transactions

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

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

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

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

Special Investment Techniques

The general use of techniques and instruments, compared to traditional forms of investment, involves greater risks for investors. These additional risks may arise as a result of any or all of the following: (i) leverage factors associated with derivative transactions; and/or (ii) the creditworthiness of the counterparties to such derivative transactions; and/or (iii) the potential illiquidity of the markets for derivative instruments. To the extent that derivative instruments are utilised for speculative purposes, the overall risk of loss to the Sub-Funds may be increased. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Sub-Funds may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

Financial Derivative Risks
Volatility

Due to the low margin deposits normally required in trading derivative instruments, an extremely high degree of leverage is typical for trading in derivatives instruments. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the investor. Investment in derivative transactions may result in losses in excess of the amount invested.

Particular Risks of OTC Derivative Transactions
Absence of regulation; counterparty default

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, any Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. A Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that counterparty will not default or that the relevant Sub-Fund will not sustain losses as a result.

Counterparty Risk

In accordance with its investment objective and policy, a Sub-Fund may trade 'over-the-counter' (OTC) financial derivative instruments such as non-exchange traded futures and options, forwards, swaps or contracts for difference. OTC derivatives are instruments specifically tailored to the needs of an individual investor that enable the user to structure precisely its exposure to a given position. Such instruments are not afforded the same protections as may be available to investors trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The counterparty to a particular OTC derivative transaction will generally be the specific entity involved in the transaction rather than a recognised exchange clearing house. In these circumstances the Sub-Fund will be exposed to the risk that the counterparty will not settle the transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. This could result in substantial losses to the Sub-Fund.

Participants in OTC markets are typically not subject to the credit evaluation and regulatory oversight to which members of 'exchange-based' markets are subject. Unless otherwise indicated in the Prospectus for a specific Sub-Fund, the Management Company will not be restricted from dealing with any particular counterparties. The Investment Manager]'s evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and foolproof evaluation of the financial capabilities of the counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses.

The Investment Manager may select counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Sub-Fund and its assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize the effect of their insolvency on the Sub-Fund and its assets. Unitholders should assume that the insolvency of any counterparty would generally result in a loss to the Sub-Fund, which could be material.

If there is a default by the counterparty to a transaction, the Fund will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays and costs. If one or more OTC counterparties were to become insolvent or the subject of liquidation proceedings, the recovery of securities and other assets under OTC derivatives may be delayed and the securities and other assets recovered by the Fund may have declined in value.

Regardless of the measures that the Investment Manager may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result. Such counterparty risk is accentuated for contracts with longer maturities or where the Sub-Fund has concentrated its transactions with a single or small group of counterparties.]

Interest Rates

The values of fixed income securities held by the portfolios generally will vary inversely with changes in interest rates and such variation may affect Unit prices accordingly.

Exchange Rates

Some of the underlying investments in which the Sub-Funds invest may be denominated in a different currency than the Reference Currency in which such Sub-Funds are denominated; changes in foreign currency exchange rates will affect the value of Units held in such Sub-Funds.

Risk Factors Relating to Small Cap Companies

Some of the portfolios invest in the securities of small capitalized companies. There are certain risks associated with investing in securities of these types of companies, including greater market price volatility, less publicly available information, and greater vulnerability to fluctuations in the economic cycle. Because small and middle capitalized companies normally have fewer shares outstanding than larger companies, it may be more difficult to buy or sell significant amounts of such shares without affecting prevailing market prices.

Performance Risk

The investment performance of certain Sub-Funds is directly related to the investment performance of the underlying investments held by such Sub-Fund. The ability of a Sub-Fund to meet its investment objective depends upon the allocation of the Sub-Fund's assets among the underlying investments and the ability of an underlying investment to meet its own investment objective. It is possible that an underlying investment will fail to execute its investment strategies effectively. As a result, an underlying investment may not meet its investment objective, which would affect Sub-Fund's investment performance. There can be no assurance that the investment objective of any Sub-Fund or any underlying investment will be achieved.

Risk Relating To High Transaction Costs

The investment approach of some Sub-Funds may involve a high level of investment activity and turnover of investments which may generate substantial transaction costs to be borne by the relevant Sub-Fund and hence potentially resulting in a substantial negative impact on its performance.

Further, the issue of Units may lead, at Sub-Fund level, to the investment of the cash inflow. Redemptions of Units may lead, at Sub-Fund level, to the disposal of investments in order to achieve liquidity. Such transactions give rise to costs that could have a substantial negative effect on the performance of the Sub-Fund concerned if Units issued and redeemed on a single day do not approximately offset one another.

Emerging Countries

Investments in Emerging Countries may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries, and securities markets that trade only a limited number of securities. Many Emerging Countries do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risk of expropriation, confiscatory taxation, nationalization and social, political and economic instability are greater in Emerging Countries than in developed markets. In addition to withholding taxes on investment income, some Emerging Countries may impose different capital gains taxes on foreign investors.

A number of attractive Emerging Countries restrict, to varying degrees, foreign investment in securities. Further, some attractive equity securities may not be available to one or more of the Sub-Funds because foreign shareholders hold the maximum amount permissible under current law. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some Emerging Countries and may be subject to currency exchange control restrictions. Such restrictions may increase the risks of investing in certain of the Emerging Countries. Unless otherwise specified, a Sub-Fund will only invest in markets where these restrictions are considered acceptable by the Management Company.

Generally accepted accounting, auditing and financial reporting practices in Emerging Countries may be significantly different from those in developed markets. Compared to mature markets, some Emerging Countries may have a low level of regulation, enforcement of regulations and monitoring of investors' activities, including trading on material non-public information.

The securities markets of Emerging Countries have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Sub-Fund's acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in Emerging Countries involve higher risks than those in developed countries because brokers and counterparties in such countries may be less well capitalized and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to acquire or dispose of a security.

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognized credit rating organization. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Fund may have limited legal recourse against the issuer and/or guarantor.

Investments in Specific Sectors

Certain Sub-Funds will concentrate their investments in companies of certain sectors of the economy and therefore will be subject to the risks associated with concentrating investment in such sectors. More specially, investments in specific sectors of the economy such as global property, private equity, renewable energy, technology, etc… involve greater risks which may lead to adverse consequences when such sectors become less valued.

XIII. RIGHTS OF THE UNITHOLDERS

The Fund is open-ended, that is to say, new Unitholders may join the Fund and existing Unitholders may leave it at any time. By acquiring units, the Unitholder accepts all the terms and conditions of the Management Regulations.

The assets of each Sub-Fund constitute the joint and undivided property of the Unitholders of that Sub-Fund. Each Unitholder has in the portion of assets relating to a Sub-Fund, an undivided interest in proportion to the Units he owns in that Sub-Fund.

As stated in the "Redemption" Chapter, and in accordance with the Management Regulations, the Unitholder has the right to obtain repayment of his Units at the redemption price on each Valuation Day.

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

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

XIV. MANAGEMENT ORGANIZATION

1. Management Company

DNB FUND is managed on behalf of the Unitholders by "DNB ASSET MANAGEMENT S.A." which was incorporated on August 14, 1990 in the form of a "*Société Anonyme*" under Luxembourg law in Luxembourg. It has its registered office in Luxembourg, 5, allée Scheffer, L-2520. The Articles of Association of the company were published in the Mémorial, official gazette of the Grand-Duchy of Luxembourg, on October 25, 1990. The capital of the Management Company is EUR 425.000,- fully paid up, represented by 5000 nominal shares. The Management Company has delegated the execution of the following duties (as described under B1, B2 and VIII) to the following third parties:

- DNB Asset Management AS has been appointed as Investment Manager;

- CACEIS Bank Luxembourg has been appointed as Central Administration Agent;

- DNB Asset Management AS has been appointed as Risk Manager.

In payment of its services, the Management Company receives the following fees computed and reserved daily based on the value of the net assets of each Sub-Fund and paid out on a monthly basis:

- Equity Sub-Funds:
  A maximum fee of 1.75% per annum;

- Bond Sub-Funds:
  A maximum fee of 0.70% per annum;

- Alternative Investment Sub-Funds:
  A maximum fee of 2,50% per annum

In addition and for all Sub-Funds where this is specified:

Performance fee applicable to Equity and Bond Sub-Funds

The performance fee is decided by the Management Company and will be a percentage of the excess yield in relation to the Sub-Fund's benchmark index over the period, as specified where applicable in chapter XI and XIII.

The performance fee is calculated and accrued daily and paid out of the Sub-Fund at the end of each year. The performance fee is payable only if the Sub-Fund's performance exceeds that of the Sub-Fund's benchmark index. A performance fee could therefore be paid even if the net asset value per Unit has decreased. If during a given period, the Sub-Fund has a performance which is lower than the performance of the benchmark (i.e. a relative underperformance), such underperformance must be taken into consideration the following period as long as the performance of the Sub-Fund has not recovered the underperformance relative to the benchmark index.

The concept of “crystallization” will be applied, meaning that the performance fee due to the Management Company is precisely determined (accrued or “crystallized”) at any time, in order to ensure that an investor applying for the redemption of his Units within a certain period nevertheless pays an adequate portion of the performance fee due at the end of the year.

The Sub-fund performance will be determined on the basis of the change in NAV per Unit (before any performance fees accruals and before computation and subsequent subtraction of the management fees). Performance fees, if any, will be accrued daily based on the number of Units in issue on that particular day.

Performance fee applicable to Alternative Investment Sub-Funds

The performance fee is calculated and reserved on a daily basis and paid by the respective Sub-Fund to the Management Company at the end of each month. Any eventual performance fee is payable only if the respective Sub-Fund’s performance exceeds the previous highest NAV, adjusted for movements in the respective index (index-adjusted high watermark). Any eventual underperformance in relation to the index will be transferred from one day to the next until such underperformance has been recovered i.e. there will be no periodic reset of underperformance.

When calculating the eventual performance fee, the respective Sub-Fund's performance will be determined on the basis of the change in NAV per unit, after the deduction of the fixed Management Fee. The performance fee, if any, will be calculated and reserved based on the number of units in issue on that particular day. A Performance fee could be paid to the Management Company at the end of any given month, even if the NAV per unit in the respective Sub-Fund has decreased during the month.

The Management Company shall pay out of its own remuneration the fees payable to the Central Administration Agent as well as to the Depositary Bank.

The Management Company has been set up for an unlimited period. Its financial year starts on the 1st January and ends on the 31st December. The general meeting of the shareholders of the Management Company is held each year on the second Friday in May in Luxembourg.

The Board of Directors of the Management Company has the broadest powers to act in the company's name and to carry out all acts of administration and management relating to the Company's objective, without prejudice to the limitations imposed by law, the Articles of Association of the Management Company and the Management Regulations.

The accounts of the Management Company are audited by an auditor. This task has been entrusted to Ernst & Young Luxembourg.

2. Investment Manager and investment sub-managers

Pursuant to an Investment Management Agreement dated March 4th 2014, DNB ASSET MANAGEMENT AS ("the **Investment Manager**") has been appointed Investment Manager of the assets of the Fund.

The Investment Manager is a company incorporated under the laws of Norway, with registered office at Dronning Eufemias gate 30, N-0191 Oslo. As of December 18th 2013, its shareholder's equity amounted to NOK 109.680.400,-.

Under the terms of the Investment Management Agreement, the Investment Manager, subject to the supervision and ultimate responsibility of the Management Company, shall have discretion to invest and reinvest the assets of the Fund in accordance with the investment policies and restrictions set forth herein. The Management Company shall pay the Investment Manager, out of its own remuneration, a fee as determined from time to time in the Investment Management Agreement. The Investment Management Agreement may be terminated by either the Management Company or the Investment Manager upon 90 days' prior written notice.

3. Subsidiaries of the Fund

For the purposes of efficient portfolio management, the Fund may incorporate fully owned subsidiaries carrying on the business of management exclusively on behalf of the Fund.

Investments of the Fund may be made either directly or indirectly through subsidiaries, as the Management Company may, from time to time, decide.

The prospectus will be amended if a subsidiary is added.

4. Co-managing

In order to reduce operational and administrative charges while allowing a wider diversification of the investments, the Management Company may decide that part or all of the assets of any Sub-Fund will be co-managed with assets belonging to other Luxembourg collective investment schemes or that part or all of the assets of any Sub-Fund will be co-managed among themselves.

In the following paragraphs, the words “co-managed entities” shall refer to any Sub-Fund and all entities with and between which there would exist any given co-management arrangement and the words “co-managed Assets” shall refer to the entire assets of these co-managed entities and co-managed pursuant to the same co-management arrangement. The word “Manager” shall refer to the manager of the co-managed Assets.

Under the co-management arrangement, the Manager will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of the Sub-Fund’s portfolio. Each co-managed entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management.

In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions.

Unitholders should be aware that, in the absence of any specific action by the Management Company or its appointed agents, the co-management arrangement may cause the composition of assets of a Sub-Fund to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which any Sub-Fund is co-managed will lead to an increase of this Sub-Fund’s reserve of cash.

Conversely, redemptions made in one entity with which any Sub-Fund is co-managed will lead to a reduction of this Sub-Fund’s reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass.

The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Management Company or its appointed agents to decide at any time to terminate a Sub-Fund’s participation in the co-management arrangement permit the Sub-Fund to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of the Fund and of its Unitholders.

If a modification of the composition of the Sub-Fund’s portfolio resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e. not attributable to the Sub-Fund) is likely to result in a breach of the investment restrictions applicable to this Sub-Fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed Assets of any Sub-Fund shall only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to co-managed Assets of such Sub-Fund in order to assure that investment decisions are fully compatible with the investment policy of the Sub-Fund.

Co-managed Assets of any Sub-Fund shall only be co-managed with assets for which the Depositary Bank is also acting as depositary in order to assure that the Depositary Bank is able, with respect to the Fund, to fully carry out its functions and responsibilities pursuant to the UCI Law.

The Depositary Bank shall at all times keep the Fund's assets segregated from the assets of other co-managed entities, and shall therefore be able at all times to identify the assets of the Fund.

Since co-managed entities may have investment policies which are not strictly identical to the investment policy of one of the Sub-Fund's, it is possible that as a result the common policy implemented may be more restrictive than that of the Sub-Fund.

The Management Company may decide at any time and without notice to terminate the co-management arrangement.

Unitholders may at all times contact the registered office of the Management Company to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request. Annual and half-yearly reports shall state the co-managed Assets' composition and percentages.

XV. DEPOSITARY BANK AND CENTRAL ADMINISTRATION

CACEIS Bank Luxembourg ("the **Depositary Bank**") has been appointed Depositary Bank of the assets of the Fund.

CACEIS Bank Luxembourg is incorporated as a public limited company (*société anonyme*) under the laws of Luxembourg with its registered office at 5, Allée Scheffer, L-2520 Luxembourg. As of 25th April 2013, the paid up capital of CACEIS Bank Luxembourg amounts to EUR 515,000,000.

The Depositary Bank is responsible, as depositary bank, for the receipt, safekeeping and administration of the assets of the Fund, as well as the collection of interest and dividends as further described in the UCI Law.

The Depositary Bank must moreover:

a) ensure that the sale, issue, repurchase and cancellation of Units effected on behalf of the Fund or by the Management Company are carried out in accordance with the UCI Law and the Management Regulations,

b) ensure that the value of the Units is calculated in accordance with the UCI Law and the Management Regulations,

c) carry out the instructions of the Management Company, unless they conflict with the UCI Law or the Management Regulations,

d) ensure that in transactions involving the assets of the Fund, the consideration is remitted to it within the usual time limits,

e) ensure that the income of the Fund is applied in accordance with the Management Regulations.

In order to provide settlement, clearing and correspondent bank services in the Eastern Europe countries, Latin America countries and other Emerging Countries, the Depositary Bank shall appoint local correspondent agents.

Brokerage, correspondent bank, settlement and clearing services in those countries are not as highly developed as those that exist in Western countries or in the US, and the banking institutions that fulfil correspondent bank functions are not subject to the same degree of supervision, or supervision by personnel which need the same skill standard as their counterparts in the United States and Western European countries. Although the Fund intends to restrict investments in these countries to securities for which it believes adequate correspondent bank, settlement, clearing, tax and corporate services are available and for which it believes that the issuer, counterparty, broker, clearance system or depositary agent are reputable and competent, there can be no assurance that these services will prove adequate to protect the interests of the Fund and that these intermediaries will not be in default. Neither the Fund, nor the Depositary Bank makes any representation or warranty about the operations or practices of any local correspondent bank or any agents and investors should be aware that the recourse against such local correspondent bank and agents may be limited.

CACEIS Bank Luxembourg has furthermore been appointed as Central Administration Agent of the Fund. It is responsible in particular for the book-keeping, the calculation of the net asset value per Unit within any Sub-Fund as well as for providing and supervising the mailing of statements, reports, notices and other documents to the directors and/or shareholders, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter. The Central Administration Agent is furthermore providing services relating to the processing of issues, redemptions, conversions, cancellations and transfers of the Units, and the keeping of the register of Unitholders.

XVI. COSTS TO BE BORNE BY THE FUND

The Fund bears the following costs:

1) Remuneration paid to the Management Company (cf. Management Organization above).

2) All taxes owed on the Fund's assets' income and fees.

3) Bank and brokerage fees for transactions in securities making up the Fund's portfolio as well as fees on transfers referring to redemptions of Units.

4) Payments to agents responsible for financial servicing.

5) The cost of extraordinary measures such as legal opinions or lawsuits necessary to protect the interests of the Unitholders.

6) The cost for currency conversions related to the payment of the subscription or redemption price in a currency other than the base currency of a Sub-Fund.

7) The cost for printing confirmations or certificates and the cost for preparing and filing of administrative documents, the Prospectus, the key investor information documents, and Explanatory Memoranda with all authorities having jurisdiction with regard to the Fund.

8) The cost of preparing and printing annual and semi-annual reports in the languages required in the interest of Unitholders, the cost of preparing and distributing advices to Unitholders, fees for independent legal and expert advice and all similar costs.

Central Administration Agent Fees

The Central Administration Agent shall be entitled to receive percentage remuneration for services rendered on a monthly basis. This remuneration is calculated on the basis of the average value of the net assets of each Sub-Fund during the month concerned and paid by the Management Company.

Depositary Bank Fees

The Depositary Bank shall be entitled to receive percentage remuneration for services rendered on a monthly basis. This remuneration is calculated on the basis of the average value of the net assets of each Sub-Fund during the month concerned and paid by the Management Company.

On the other hand, advertising costs and other expenses directly connected with the offering or distribution of Units, including reports used by distributors of Units in their commercial activity, are not to be borne by the fund.

The specific fees and expenses of each Sub-Fund are payable by that Sub-Fund. All other fees and expenses shall be shared by the Sub-Funds in proportion to their net assets at that time.

XVII. CO-OWNERSHIP UNITS

Any person or corporate entity agreeable to the Management Company may acquire Units in the Fund against payment of the issue price such as determined hereafter.

The Units, which are of no par value, carry no preferential or pre-emptive rights. All Units of the Fund must be fully paid. The Units of the Fund, subject as mentioned above, are freely transferable, and, upon issue, are entitled to participate equally in the profits and dividends of the Fund and in its assets in liquidation. The owner of a Unit holds a co-ownership right in the Fund's assets. The co-ownership Units are in registered form and no bearer Units will be offered.

Fractions of units may be issued to the nearest ten thousandth of a unit. Fractions of units will participate in the distribution of dividends, if any, and in the liquidation proceeds.

The Depositary Bank delivers to the Unitholders confirmation statements evidencing their holdings.

XVIII. SUBSCRIPTION

Units are issued daily, or otherwise, as provided for in each Sub-Fund, and if this day is not a business day in Luxembourg or in a market which is the principal market for a significant part (defined as 25% or more) of a Sub-Fund’s investments, on the immediately following business day which is not a bank holiday in Luxembourg or in a market affecting a Sub-Fund; this day is called the “**Valuation Day**”.

Concerning the following Sub-Funds:
- DNB Fund - Scandinavia
- DNB Fund - Navigator
- DNB Fund - SEK Long Bond
- DNB Fund - SEK Short Bond

If a subscription order is to be carried out on a Valuation Day, written instructions must have reached the Central Administration before noon (Luxembourg time) on the Valuation Day;

otherwise the order will be executed on the next Valuation Day. Payment for the subscription must be received at the latest two business days after the corresponding Valuation Day.

Concerning the following Sub-Funds:
- DNB Fund - Global SRI
- DNB Fund - Far East
- DNB Fund - Asian Small Cap
- DNB Fund - Global Emerging Markets SRI
- DNB Fund - India
- DNB Fund - China Century
- DNB Fund - Private Equity
- DNB Fund - Renewable Energy
- DNB Fund - Global Value & Momentum
- DNB Fund - Technology
- DNB Fund - ECO Absolute Return
- DNB Fund - TMT Absolute Return
- DNB Fund - Norway Absolute Return

If a subscription order is to be carried out on a Valuation Day, written instructions must have reached the Central Administration before 20:00 (Luxembourg time) on the Business Day preceding the relevant Valuation Day; otherwise the order will be executed on the next Valuation Day. Payment for the subscription must be received at the latest two business days after the corresponding Valuation Day.

The Management Company reserves the right to allot Units only after receipt of the cleared monies or a document evidencing irrevocable payment of the subscription proceeds.

If an investor fails to pay the subscription proceeds within two business days after the corresponding Valuation Day, the Management Company may cancel the relevant subscription order. In such case, the Management Company will notify the relevant investor of the cancellation. To subscribe for Units, the investor must submit in a new subscription order, which will be executed on such Valuation Day as determined in accordance with the above provisions.

An investor may be required to indemnify the Management Company or any of its Agents against any losses, costs or expenses incurred directly or indirectly as a result of the investor's failure to timely pay for Units applied for.

In case of payment by cheque, Units will be allotted only after confirmation of the cheque’s clearance.

Should investors decide to make applications within the framework of the “Delivery vs. Payment” system in Clearstream or Euroclear, such applications will be settled within three business days after the relevant Valuation Day.

The Fund, the Management Company, the Central Administration, the Depositary Bank, any distributor and their officers are subject to the provisions of legislation and regulations currently in force in Luxembourg, notably the law of 12 November 2004, as amended, in particular by the law dated 17 July 2008, the CSSF Circular 13/556 and the CSSF Regulation 12-02 on the fight against money laundering and terrorist financing, as they may be amended from time to time and, where appropriate, to the provisions of similar legislation in force in any other relevant country.

Potential new investors in the Fund may be required to provide independent documentary evidence of their identity, a permanent address and information relating to the source of the monies to be invested. Failure to provide such information or documentation in a timely manner could result in delay in the allotment of Units or in a refusal to allot Units.

Payments will be made in the base currency of each Sub-Fund; at the request of the Unitholders, payments may however be made in any other freely convertible major currency as may be decided from time to time by the Management Company. If the Management Company determines such other currencies, the net asset value of the relevant Units will be rounded up or down to the next smallest customary currency unit. Any currency conversion costs arising in this respect shall be borne by the relevant Sub-Fund. The value of these payments in the base currency of the Sub-Fund will then be determined on basis of the exchange rates used for the net asset value calculation of that same Valuation Day.

Payment for subscriptions may also be made in kind if the Board of the Management Company and the Custodian accept so, subject to a valuation report made out by the independent auditor of the Fund in conformity with the article 26-1(2) of the law of August 10, 1915 (as amended) governing commercial companies. The securities have to comply with the investment policy of the Sub-fund for which subscription is requested. The evaluation of these securities has to be in conformity with the rules of evaluation as stated in the Management Regulations. The charges incurred by these evaluations and control of the auditor shall be borne by the investor.

A Unitholder's initial subscription must be for a minimum amount equivalent to EUR 1,000.-; for subsequent subscriptions, no minimum is required. The Board of Directors of the Management Company may exceptionally accept initial subscriptions below that amount.

In case of a merger with another collective investment undertaking, the subscription price may be paid by contribution in kind of all assets and liabilities of the absorbed Fund, valued pursuant to the rules described in "Net asset Value" chapter below. A report may be drawn up by the independent auditor in conformity with the applicable laws.

Units of the respective classes will be issued at their respective net asset value against the contribution in kind valued this way.

Subscriptions are accepted by the Management Company, as well as by the institutions listed before, which will transmit the orders to the Depositary Bank for execution, provided that the required subscription form has been completed and signed in duplicate by the investor.

Confirmation of execution of a subscription is provided by an advice specifying the number and class of Units subscribed for and the name of the relevant Sub-Fund.

XIX. REDEMPTION

Owners of Units may request redemption of their Units at any time. In order to do so, they must send an irrevocable request in writing for redemption to the Central Administration.

Concerning the following Sub-Funds:
- DNB Fund - Scandinavia
- DNB Fund - Navigator
- DNB Fund - SEK Long Bond
- DNB Fund - SEK Short Bond

If a redemption order is to be executed at the redemption price ruling on a Valuation Day, the application for the redemption of Units must reach the Central Administration before noon (Luxembourg time) on the corresponding Valuation Day (cf. "Net Asset Value" chapter below), or as provided for each Sub-Fund.

Concerning the following Sub-Funds:
- DNB Fund - Global SRI
- DNB Fund - Far East
- DNB Fund - Asian Small Cap
- DNB Fund - Global Emerging Markets SRI
- DNB Fund - India
- DNB Fund - China Century
- DNB Fund - Private Equity
- DNB Fund - Renewable Energy
- DNB Fund - Global Value & Momentum
- DNB Fund - Technology
- DNB Fund - ECO Absolute Return
- DNB Fund - TMT Absolute Return
- DNB Fund - Norway Absolute Return

If a redemption order is to be executed at the redemption price ruling on a Valuation Day, the application for the redemption of Units must reach the Central Administration before 20:00 (Luxembourg time) on the Business Day preceding the relevant Valuation Day.

All orders reaching the Central Administration after the above mentioned deadlines will be held over until the next following Valuation Day for execution at the redemption price then ruling.

The Management Company reserves the right to reduce proportionally all requests for redemption in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the Units so tendered for redemption exceeds 5% of the total net assets of that specific Sub-Fund. The portion of the redemptions not executed on that Valuation Day will then be executed by priority on the next Valuation Day. Confirmation of the execution of redemption will be made by the dispatch to the Unitholder of an advice.

Payments will be made in the base currency of each Sub-Fund; at the request of the Unitholders, payments may however be made in any other freely convertible major currency as may be decided from time to time by the Management Company. If the Management Company determines such other currencies, the net asset value of the relevant Units will be rounded up or down to the next smallest customary currency unit. Any currency conversion costs arising in this respect shall be borne by the relevant Sub-Fund. Payments will be made with a value date within ten business days following the corresponding Valuation Day.

Should Unitholders decide to proceed with a redemption within the framework of the “Delivery vs. Payment” system in Clearstream or Euroclear, such redemption will be carried out on the third business day after the Valuation Day retained for the redemption of the Units in question.

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

XX. NET ASSET VALUE

The Management Company has delegated the calculation of the net asset value to the Central Administration Agent . This calculation is done daily, or otherwise, as provided for each Sub-Fund, and if this day is not a business day in Luxembourg or in a market which is the principal market for a significant part (defined as 25 per cent or more with reference to the investment mandate of the particular Sub-Fund) of a Sub-Fund’s investments, on the immediately following business day which is not a bank holiday in Luxembourg or in a market affecting a Sub-Fund; this day is called the “Valuation Day”. The Business Days which are not Valuation days will be available at the beginning of each year in advance at the registered office of the Management Company and on the following website: www.dnb.no/lu/en/funds.html

For a Sub-Fund which has issued only one class of Units, the net asset value of a Unit is determined by dividing the net assets of the relevant Sub-Fund by the total number of Units in that Sub-Fund outstanding at that time.

For a Sub-Fund which has issued the two classes of Units, the net asset value of one Unit for each class of Units will be determined by dividing the net assets of the Sub-Fund attributed to this class of Units by the total number of Units of that same class outstanding at that time.

From the date of creation of a Sub-Fund to the date of the payment of the first dividend, the percentage of the total net assets of the Sub-Fund to be attributed to each class of Units will be equal to the percentage of the total number of Units of each class.

As a consequence of each dividend payment to the "B" Units, the total of the net assets corresponding to the "B" Units will be reduced by an amount equivalent to the dividend payment (thus entailing a reduction of the percentage of the total net assets of the Sub-Fund to be attributed to the "B" Units) and the total net assets corresponding to the "A" Units will remain the same (thus entailing an increase of the percentage of the total net assets of the Sub-Fund to be attributed to the "A" Units).

The Sub-Fund's assets include the securities in the portfolio, possible time deposits and other liquid assets and coupons already cashed, interest and coupons that have fallen due and have not yet been cashed and interest accrued, and, if there are two classes of Units, the dividend regularisation account.

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

a) The value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

b) The value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets.

c) The value of assets dealt in on any other Regulated Market is based on the last available price.

d) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

e) The liquidating value of futures, forward or options contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund ; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.

f) The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.

g) Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve.

h) Units or shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value.

i) All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors or a committee appointed to that effect by the Board of Directors.

Assets denominated in other currencies than the base currency of the Sub-Fund will be converted into that base currency at the average rate of the last known bid and offer rates of these currencies.

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

The annual (and semi-annual) financial reports of the Fund will include a consolidation of all the Sub-Funds. These consolidated figures will be expressed in EUR.

For this purpose, all figures expressed in another currency than the EUR will be converted into EUR on basis of the average rate of the last known bid and offer rates.

XXI. SUSPENSION OF CALCULATION OF NET ASSET VALUE, REDEMPTIONS, SUBSCRIPTIONS, CONVERSIONS

The Management Company is authorised to suspend temporarily the calculation of the net asset value and the issue, redemption and conversion of Units in one or several Sub-Funds in the following cases:

- where one or several securities or exchange markets forming the basis of the valuation of a major part of the Sub-Fund's assets are closed for periods other than legal holidays, or where transactions are suspended thereon or subject to restrictions;

- where political, economic, military, monetary or social circumstances or any cases of force majeure, beyond the responsibility or power of the Management Company, make it impossible to dispose of a Sub-Fund's assets by reasonable and normal means, without causing serious prejudice to Unitholders;

- in case of an interruption of the means of communication normally used to determine the value of any investment of a Sub-Fund or where, for any reason, the value of any investment of the Fund cannot be known with sufficient speed or accuracy;

- where restrictions on exchange or capital movements prevent the execution of transactions on behalf of a Sub-Fund or where purchase or sales transactions of the Fund's assets cannot be carried out at normal exchange rates.

- following the suspension of the calculation of the net asset value per share/unit, the issue, the redemption and/or the conversion of the shares/units issued within a Master Fund in which the Sub-Fund invests in its quality as a Feeder Fund of such Master Fund;

- The Management Company may, at any time, if it considers it necessary, temporarily suspend or finally halt or limit issuing of Units of one or several Sub-Funds to individuals or companies residing or domiciled in certain countries and territories, or exclude them from acquiring Units, if such measure is necessary to protect existing Unitholders and the Fund.

- In case of a suspension for reasons as stated above for a period of more than six days, a notice to Unitholders will be published in conformity to the stipulations of the section "Publications" hereafter.

In addition, the Management Company is entitled:

- to refuse, at its discretion, a request for acquisition of Units,

- to redeem, at any time, Units that might have been acquired in violation of an exclusion measure adopted in virtue of this section.

XXII. ISSUE PRICE

The issue price of Units in a Sub-Fund ("**Issue Price**") is equal to the net asset value of a Unit in that Sub-Fund, increased by an issue commission of (i) maximum 5% of the subscribed amount (concerning the Equity and Alternative Investment Sub-Funds excluding institutional classes (if any)) or (ii) 1 % of the subscribed amount (concerning the Bond Sub-Funds excluding institutional classes (if any)). This Issue Price includes all commissions payable to banks and financial institutions taking part in the placement of Units.

Initial subscriptions must be for a minimum amount equivalent to EUR 1,000.- or as specified for the individual Sub-Fund.

XXIII. REDEMPTION PRICE

The redemption price of Units in a Sub-Fund is equal to their net asset value, no redemption fee is levied.

XXIV. CONVERSION

A Unitholder may convert all or part of the Units held in a Sub-Fund into Units in another Sub-Fund or Units of one class into Units of another class, against delivery of the Unit certificate(s) if any. Conversions are executed free of commission, but the Management Company may levy a fee to cover costs and expenses related to the conversion. This fee will in no event exceed 1% of the net asset value of the units of the Sub-Fund or class from which the Unitholder converts.

To apply for conversion, the Unitholder must send an irrevocable request in writing, accompanied by the Unit certificate, if any, to the Central Administration.

If received before 20:00 (Luxembourg time) on the Business Day preceding a Valuation Day, requests for conversion are executed on the basis of the net asset value per Unit of the relevant Sub-Fund and the relevant class, ruling on the relevant Valuation Day.

Requests for conversion received after that deadline will be held over to the next Valuation Day to be executed at the prices ruling on that day.

Conversions may not be executed if the calculation of the net asset value, or subscriptions or redemptions is suspended in one of the concerned Sub-Funds.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Date common to both Sub-Funds following the conversion request.

The Management Company may also levy a fee to cover arbitrage related to conversion from Bond Sub-Funds; this fee will amount to maximum 4 % of the net asset value to be converted and will return to the Management Company.

The number of Units allotted in the new Sub-Fund or in the new class is determined by means of the following formula:

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

where:

A is the number of Units presented for conversion,
B is the net asset value of one unit in that Sub-Fund and/or of that class of which the Units are presented for conversion, on the day the conversion is executed,
C is the conversion factor between the base currencies of the two Sub-Funds on the day of execution. If the Sub-Funds or the two classes of Units have the same base currency, this factor is one,
D is the net asset value per unit of the new Sub-Fund and /or class on the day of execution,
N is the number of Units allotted in the new Sub-Fund and/or class.

XXV. PLACEMENT AND FINANCIAL SERVICING

Nominees

The Management Company may appoint banks and financial institutions as placement agents, and in certain countries may be forced to do so in order to comply with local law. Subject to local law in countries where Units are offered, such placement agents can, with the agreement of the Management Company and the respective Unitholders, agree to act as nominee for the investors. In this capacity, the placement agent shall, in its name but as nominee for the investor, purchase or sell Units for the investor and request registration of such operations in the Fund's register. However, unless otherwise provided by local law, the investor may invest directly in the Fund without using the nominee service, and if the investor does invest through a nominee he will still retain a direct claim to his Units subscribed through the nominee.

However, the provisions above are not applicable for Unitholders solicited in countries where the use of the services of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

The Management Company may, at any time, require placement agents to make representations to comply with applicable laws and requirements.

Financial Servicing for the Fund is provided by the Depositary Bank in Luxembourg and by other financial institutions appointed from time to time by the Management Company in appropriate countries.

XXVI. PREVENTION OF MARKET TIMING, FREQUENT TRADING AND LATE TRADING

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders ("**cut–off time**") on the relevant day and the execution of such order at the price base on the net asset value applicable to such same day.

The Management Company considers that the practice of late trading is not acceptable as it violates the provisions of the Prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable net asset value. As a result, subscriptions, conversions and redemptions of Units shall be dealt with at an unknown net asset value. The cut-off time for subscriptions, conversions and redemptions is set out in the above Paragraphs XXI, XXII and XXVI.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value of the undertaking for collective investment.

The Management Company considers that the practice of market timing and **frequent trading**, i.e. trades understood to be in conflict with the long term nature of investing in the Fund, are not acceptable as it may affect the Fund's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the Management Company reserves the right to refuse any application for subscription or conversion of Units which might be related to market timing or frequent trading practices and to take any appropriate measures in order to protect investors against such practice.

XXVII. DATA PROTECTION

The Management Company may collect information from a Unitholder or prospective Unitholder from time to time in order to develop and process the business relationship between the Unitholder or prospective Unitholder and the Fund, and for other related activities. If a Unitholder or prospective Unitholder fails to provide such information in a form which is satisfactory to the Management Company, the Management Company may restrict or prevent the ownership of Units in the Fund and the Management Company, the Central Administration and/or any Placing Agent (as the case may be) shall be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Units.

By completing and returning an application form, Unitholder consent to the use of personal data by the Management Company. The Management Company may disclose personal data to its agents, service providers or if required to do so by force of law or regulatory authority. Unitholders will upon written request be given access to personal data provided to the Fund. Unitholders may request in writing the rectification of, and the Management Company will upon written request rectify, personal data. All personal data shall not be held by the

Management Company for longer than necessary with regard to the purpose of the data processing.

The Placing Agents may use personal data to regularly inform Unitholder about other products and services that the placing agents believe may be of interest to Unitholder, unless the Unitholder indicates to the Placing Agent on the application form or in writing that it does not wish to receive such information.

XXVIII. PUBLICATIONS

The Net Asset Value and issue and redemption prices of each Sub-Fund and of each class of Units are made public daily in Luxembourg at the offices of the Depositary Bank and the Management Company.

All amendments to the Management Regulations will be deposited with the Luxembourg companies' register. A notice regarding such notice will be published in the *Mémorial* (official gazette) of the Grand Duchy of Luxembourg.

At the same time, the text of the amendments will be available for the inspection of Unitholders at the offices of the Depositary Bank and the Management Company.

Amendments and notices to Unitholders may also be published in newspapers in the countries where the Fund's Units are publicly sold.

XXIX. DIVIDEND POLICY

The Management Company will decide from time to time if and to what extent dividends should be paid to holders of "B"-Units of a Sub-Fund out of the net results of the operations attributable to the "B"-Units of that specific Sub-Fund, plus the equalization account on the net issues of such Units. Such dividends will be paid to holders of "B"-Units as soon as practicable after the decision.

Results of operations of the Sub-Fund include all cost and other income such as dividends and interest contributing proceeds of the assets of the Sub-Fund, net realized and unrealized capital gains proceeds of sales of subscription rights and any other proceeds not to be defined as income.

Distributions may either be made in cash or in kind. The Management Company may at the request of a holder of "B"-Units of a specific Sub-Fund decide to distribute dividends to such Unitholder in whole or in part by way of transfer in specie of the assets of such Sub-Fund. The Management Company will ensure that the transfer of assets in specie in case of such distributions will (i) not be detrimental to the remaining Unitholders of such Sub-Fund and (ii) not result in a breach of applicable investment restrictions as provided for in section 2. ("Investment Restrictions") of chapter XII. ("Investment Restrictions") by pro-rating the distribution as far as possible across the entire portfolio of the Sub-Fund in question. Such distribution in specie will be subject to a specific audit report of the Auditor confirming the number, the denomination and the value of the assets which the Management Company will have determined to be transferred to such Unitholder. This audit report will also confirm the way of determining the value of these assets which will have to be identical to the procedure for determining the net asset value per Unit. The costs for such distributions of dividends in specie, in particular the costs of the specific audit report will be borne by the Unitholder requesting a distribution of dividends in kind.

Distributions can only be made to the extent that the net assets of the Fund after such distribution, will not be less than the minimum required by the UCI Law (currently EUR 1,250,000).

Dividends not claimed within five years from their due date will elapse and revert to the relevant Sub-Fund.

The equalization account is operated in relation with subscriptions and redemptions in all Sub-Funds where dividend Units are in existence.

The "A"-Units are not entitled to the dividend payments.

XXX. TAX STATUS

The Fund is subject to Luxembourg legislation. Unitholders should fully understand the relevant legislation and rules applicable to the purchase, holding and possible sale of Units having regard to their residence or nationality.

In accordance with current legislation in Luxembourg, neither the Fund nor the Unitholders, except those whose domicile, residence or permanent establishments in Luxembourg, are subject to any tax on income, capital gains or wealth.

Except as otherwise provided for in this Prospectus, the net assets of the Fund are subject to a Luxembourg tax at an annual rate of 0.05% payable at the end of each quarter and calculated on the amount of the net assets of each Sub-Fund at the end of that quarter.

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation on savings income. The directive is applied by Member States from 30 June 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State is required to provide to the tax authorities of another Member State details of payment of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other member State; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to thirty five per cent (35%). The transition period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

XXXI. FINANCIAL YEAR

The accounts of the Fund are closed on December 31 of each year.

XXXII. REGULAR REPORTS

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

The annual report includes the accounts of the fund audited by an auditor. The semi-annual report includes the accounts of the Fund, unaudited.

Both these reports can be sent free of charge to the Unitholders upon a written request. These reports are also available to Unitholders at the offices of the Management Company and establishments responsible for financial servicing.

XXXIII. CONFLICTS IF INTEREST

Prospective investors should note that the Management Company, its board of directors, the Depositary Bank, the Central Administration, the Investment Manager and potential other parties may be subject to various conflicts of interest in their relationships with the Fund. The following considerations are given on a non-exhaustive basis.

The Management Company, the Depositary Bank, the Central Administration, the Investment Manager and any other party providing services to the Fund, in carrying out their respective roles vis-à-vis the Fund, must act exclusively in the best interests of the Fund and the Unitholders.

Should the board of directors of the Management Company become aware of a material conflict of interest in a contemplated transaction, the board of directors of the Management Company shall use its best endeavours to settle such conflict on an arm's length basis prior to completion of such transaction.

Should the Management Company, a member of its board of directors, the Depositary Bank, the Central Administration, the Investment Manager or another party providing services to the Fund have a material conflict of interest in a contemplated transaction, such director or other service provider shall make such conflict known to the board of directors of the Management Company in writing without undue delay.

The board of directors of the Management Company will then call a meeting of the directors in which they will deliberate on such potential conflict of interest and its consequences for the Unitholders. In the case of a member of the board of directors of the Management Company having such a material conflict of interest, such director shall be excluded from any deliberation of the board of directors of the Management Company in this respect.

Should the board of directors of the Management Company come to the conclusion that the potential conflict of interest will negatively affect the Fund or its Unitholders, it will inform the Unitholders without undue delay by the means of a notice to Unitholders about the situation, or, in more serious cases, convene a general meeting of Unitholders in order to discuss the situation and find a solution which is suitable for all parties involved.

No Unitholder will be required or expected to disclose or make available to the Fund investment opportunities it may pursue for its own account or in the capacity of a unit- or shareholder or manager or advisor of any other investment fund, including investment opportunities suitable to or under consideration by the Fund.

In the course of their regular business activities, Unitholders may possess, or come into possession of, information directly relevant to investment decisions of the Fund. No Unitholder will be required or expected to disclose or otherwise reveal any such information to third parties, including the Fund.

XXXIV. DURATION AND LIQUIDATION OF THE FUND

The Fund has been set up for an unlimited term, and the Management Company may at any time, with the agreement of the Depositary Bank, decide upon the liquidation of one or more Sub-Funds.

The Fund will also be liquidated when the Depositary Bank or the Management Company cease their functions without having been replaced within two months, in case of failure of the Management Regulations, and when the total net asset value of the Fund has been for a period of more than 6 months become inferior to one fourth of the minimum of EUR 1,250,000 currently required by the UCI Law.

Liquidation must be announced by a notice published in the *Mémorial* of the Grand Duchy of Luxembourg and in two newspapers with sufficient circulation, one of which at least must be a Luxembourg newspaper.

No application for subscription or conversion of Units and no application for redemption will be accepted after the date of the event leading to the dissolution and the decision to liquidate the Fund or Sub-Fund, respectively, unless otherwise required in the interests of the Unitholders.

The Management Company will appoint a liquidator, who can be an individual or a legal entity, and who will liquidate each Sub-Fund's assets in the best interests of the Unitholders and will give instructions to the Depositary Bank to apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the Unitholders of the relevant Sub-Fund.

Liquidation and distribution of the Fund cannot be requested by an owner of Units, his heirs or beneficiaries.

XXXV. STATUTE OF LIMITATIONS

Claims received from the Unitholders with regards to the activity of the Management Company and/or any of the delegated party lapse five years after the date of the event giving rise to the rights invoked.

XXXVI. APPLICABLE LAW, JURISDICTION AND GOVERNING LANGUAGE

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

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

XXXVII. DOCUMENTS AVAILABLE FOR INSPECTION

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

- Management Regulations as amended from time to time.
- Key Investor Information Documents (KIID)
- Annual and Semi-annual Reports
- Depositary Agreement with the Depositary Bank (dated October 10th, 2010) and Administrative Agency, Registrar and Transfer Agency Agreements (dated March 4th 2014) which replace previous Custodian and Central Administration Services Agreement with the Depositary Bank (dated August 27, 1990).
- Investment Management Agreement with the Investment Manager (dated March 4th 2014) which replace previous Investment Management Agreement (dated May 31, 2002).

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