

QUEST MANAGEMENT, SICAV

QUEST MANAGEMENT, SICAV

Société d'Investissement à Capital

Variable à Compartiments Multiples

RCS Luxembourg B 76 341

Sales Prospectus March 2015

QUEST MANAGEMENT, SICAV (the "**Company**") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part I of the Law of December 17, 2010 relating to undertakings for collective investment (the "**Law**"). Such registration however does not imply a positive assessment by the supervisory authority of the quality of the shares of the Company (the "**Shares**") offered for sale. Any representation to the contrary is unauthorised and unlawful. The Company is an Undertaking for Collective Investment in Transferable Securities ("**UCITS**") for the purpose of the Council Directive 2009/65/EC (the "**UCITS Directive**").

Subscriptions can only be received on the basis of the relevant Key Investor Information Document (the "**KIID**") accompanied by the latest annual report as well as by the latest semi-annual report, if published after the latest annual report.

These reports form part of the present prospectus. No information other than that contained in this prospectus, in the KIID(s), in the periodic financial reports, as well as in any other documents mentioned in the prospectus and which may be consulted by the public may be given in connection with the offer.

In addition to this prospectus, the Company publishes KIIDs which contains key information about each class of shares of the Company, in particular information on the historical performance, on the risk profile and information on the profile of a typical investor of each share class. The KIID may be obtained free of charge at the registered office of the Company and must be offered free of charge to any potential investor prior to any subscription in the Company.

VISA 2015/98837-2790-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2015-04-16
Commission de Surveillance du Secteur Financier



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Shares of the Company are offered to retail and institutional investors unless otherwise indicated in this prospectus and the relevant KIID.

No person is authorised to make any representation other than as contained in the prospectus, the KIID(s) or in the documents referred to in the prospectus. Such documents are available to the public at the registered office of the Company.

The distribution of this prospectus or of the KIID(s) and the Offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this prospectus or of the KIID(s) and any persons wishing to make application for Shares pursuant to this prospectus or the KIID(s) to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any state securities commission or any other regulatory authority in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act, as amended (the "**Investment Company Act**"), and investors will not be entitled to benefit thereof. Accordingly, the Shares may not be offered or sold in the United States or to or for the account or benefit of any U.S. Person. The Company will restrict or prevent the ownership of Shares in the Company by any U.S. Person or for the account or benefit of any U.S. Person.

The Board of Directors of the Company (the "**Board of Directors**") has taken all reasonable care to ensure that at the date of this prospectus as well as of the KIID(s) the information contained therein is accurate and complete in all material respects. The Board of Directors accepts responsibility accordingly. Any information given by any person not mentioned in the prospectus or in the KIID(s) should be regarded as unauthorised. The information contained in the prospectus and the KIID(s) is considered to be accurate at the date of their publication. To reflect material changes, these documents may be updated from time to time and potential subscribers should enquire of the Company as to the issue of any later documents.

It should be remembered that the price of the Shares can go down as well as up. An investor may not get back the amount they have invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to a transaction charge. Changes in exchange rates may also cause the value of Shares in the investor's base currency to go up or down.

Potential subscribers or purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, conversion or sale of Shares.

Important: If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Shares may be listed on the Luxembourg Stock Exchange.

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Pursuant to the Luxembourg Law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended (the "**2002 Law**"), any personal information that is provided by a Shareholder in connection with an investment in the Company (may be held on computer and processed by the Company, the Management Company, any investment manager(s) or adviser(s), distributors (if any), or Custodian or their delegates as Data Processor as defined in the 2002 Law. Information may be processed for the purposes of carrying out the services of the Management Company, any investment manager(s) or adviser(s), distributors (if any), or Custodian and to comply with legal obligations including legal obligations under applicable company law, anti-money laundering legislation and for the purpose of compliance with FATCA (as further detailed under section "TAXATION"). Information may be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as auditors and the regulators or agents of the Management Company, any investment manager(s) or adviser(s), distributors (if any), or Custodian who process the data inter alia for anti-money laundering purposes or for compliance with foreign regulatory requirements. The Company and/or the Management Company, for the purpose of FATCA compliance, may be required to disclose personal data relating to U.S. Persons (as defined in FATCA) and/or non-participant FFIs (as defined under section "TAXATION") to the Luxembourg tax administration and/or the Internal Revenue Service in the United States.

Investors consent to the processing of their information and the disclosure of their information to the parties referred to above including companies situated in countries outside of the European Economic Area which may not have the same data protection laws as in Luxembourg. The transfer of data to the aforementioned entities may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Economic Area. Shareholders have the right to request access to, rectification or deletion of any personal data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection legislation. Personal data shall not be held for longer than necessary with regard to the purpose of the data processing.

Reasonable measures have been taken to ensure confidentiality of the personal data transmitted to the parties above. Neither the Company, the Management Company nor their agents will accept any liability with respect to any unauthorised third party receiving knowledge of or having access to such personal data, except in the case of negligence by the Company, the Management Company or their agents.

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MANAGEMENT

BOARD OF DIRECTORS OF THE COMPANY

Patrick de BELLEFROID
Company Director
Nethen, Belgium
Chairman of the Board of Directors

Dr Jos B. PEETERS
Managing Director
CAPRICORN VENTURE PARTNERS NV
Leuven, Belgium
Director

Romain MOEBUS
Member of the Management Committee
VP BANK (LUXEMBOURG) SA
Luxembourg, Grand Duchy of Luxembourg
Director

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Christoph MAUCHLE
President
VPB FINANCE S.A.
Luxembourg, Grand Duchy of Luxembourg

Romain MOEBUS
Member of the Management Committee
VP BANK (LUXEMBOURG) SA
Luxembourg, Grand Duchy of Luxembourg

Eduard VON KYMMEL
CEO and Day-to-Day Manager
VPB FINANCE S.A.
Luxembourg, Grand Duchy of Luxembourg

Ralf FUNK
Executive Director and Day-to-Day Manager
VPB FINANCE S.A.
Luxembourg, Grand Duchy of Luxembourg

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DAY-TO-DAY MANAGERS OF THE MANAGEMENT COMPANY

Eduard VON KYMMEL
CEO and Day-to-Day Manager
VPB FINANCE S.A.
Luxembourg, Grand Duchy of Luxembourg

Ralf FUNK
Executive Director and Day-to-Day Manager
VPB FINANCE S.A.
Luxembourg, Grand Duchy of Luxembourg

ADMINISTRATION

REGISTERED OFFICE

QUEST MANAGEMENT, SICAV
26, avenue de la Liberté
L – 1930 Luxembourg, Grand Duchy of Luxembourg

MANAGEMENT COMPANY– CENTRAL ADMINISTRATION AGENT – CORPORATE AND DOMICILIARY AGENT – REGISTRAR AND TRANSFER AGENT

VPB FINANCE S.A.
26, avenue de la Liberté
L – 1930 Luxembourg, Grand Duchy of Luxembourg

INVESTMENT MANAGER

CAPRICORN VENTURE PARTNERS NV
Lei 19/1
B – 3000 Leuven, Belgium

CUSTODIAN BANK PAYING AGENT

VP BANK (LUXEMBOURG) SA
26, avenue de la Liberté
L – 1930 Luxembourg, Grand Duchy of Luxembourg

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MARKETING AGENT

CAPRICORN VENTURE PARTNERS NV
Lei 19/1
B – 3000 Leuven, Belgium

FINANCIAL AGENT BELGIUM

CACEIS BELGIUM S.A.
Avenue du Port 86 C B320
B – 1000 Brussels, Belgium

AUDITOR

DELOITTE AUDIT S.à r.l.
560, rue de Neudorf
L – 2220 Luxembourg, Grand Duchy of Luxembourg

LEGAL ADVISORS

ELVINGER, HOSS & PRUSSEN
2, Place Winston Churchill
L-1340 Luxembourg, Grand Duchy of Luxembourg

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INTRODUCTION

QUEST MANAGEMENT, SICAV (hereafter the "Company"), described in this prospectus is a company established in Luxembourg with a variable capital, *société d'investissement à capital variable* ("SICAV") which comprises separate portfolios (each a "Sub-Fund") consisting of transferable securities or other liquid financial assets in accordance with article 41 (1) of the Law, at the initiative of VP BANK (LUXEMBOURG) SA and QUEST MANAGEMENT NV, a company incorporated in 1998 under the laws of Belgium currently merged in CAPRICORN VENTURE PARTNERS NV pursuant to a notarial deed of February 16, 2012. CAPRICORN VENTURE PARTNERS NV is a company incorporated in 1993 under the laws of Belgium.

The Company is managed and administered by VPB FINANCE S.A., its Management Company.

The main objective of the Company is to provide a range of Sub-Funds combined with active professional management to diversify investment risk and satisfy the needs of investors seeking income, capital conservation and longer term capital growth.

As in the case of investment, the Company cannot guarantee future performance and there can be no certainty that the investment objectives of the Company's individual Sub-Funds will be achieved.

At the date of the prospectus, the Company contains one (1) distinct Sub-Fund:

- QUEST MANAGEMENT– QUEST CLEANTECH FUND
(denominated in Euro ("EUR"))

However, the Board of Directors may decide at any time to create new Sub-Funds investing in transferable securities or other liquid financial assets in accordance with article 41 (1) of the Law. At the opening of such additional Sub-Funds, a complement of the prospectus and of the simplified prospectus shall be issued providing the investors with all information on those new Sub-Funds and the prospectuses shall be adapted accordingly.

Furthermore in the case of Sub-Funds created which are not yet opened for subscription, the Board of Directors is empowered to determine at any time the initial period of subscription and the initial subscription price; at the opening of a Sub-Fund, the prospectus and the simplified prospectus shall be updated to provide the investors with the necessary information.

THE COMPANY

The Company was incorporated in the Grand Duchy of Luxembourg on June 16, 2000 under the name of BULLHOUND, SICAV. It is organised as a variable capital company (SICAV) under the law of August 10, 1915 relating to commercial companies and Part I of the Law so

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that the Company qualifies as UCITS. It is established for an undetermined duration from the date of incorporation.

The registered office of the Company is at 26, avenue de la Liberté, L-1930 Luxembourg. The articles of incorporation and by-laws (the "Statutes") of the Company were published in the *Mémorial, Recueil des Sociétés et Associations* (the "**Mémorial**"), dated July 27, 2000. Further to the change of its name into QUEST MANAGEMENT, SICAV, its Statutes were amended on January 29, 2003 and the amendments were published in the *Mémorial* on March 5, 2003. The Statutes have been deposited with the Register of Commerce and Companies of Luxembourg where they are available for inspection and where copies thereof can be obtained. They have further been amended on March 19, 2007 to be compliant with the Law and such amendments were published in the *Mémorial* on April 16, 2007. They have been amended also on May 3, 2010 and such amendments have been published in the *Mémorial* on May 15, 2010.

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

Shareholders' meetings are held annually in Luxembourg at the Company's registered office or at such other place as is specified in the notice of meeting. The Annual General Meeting will be held on the second Thursday in April of each year, at 11.00 a.m. local time. If such day is a legal holiday in Luxembourg, the annual general meeting shall be held on the next following business day. Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meetings. Meetings of shareholders will be convened in the manner prescribed by Luxembourg law. The legal requirements as to notice, quorum and voting at all general meetings are included in the Articles.

The notice of any general meeting of Shareholders may also provide that the quorum and the majority of such general meeting shall be determined by reference to the Shares issued and outstanding at midnight on the fifth day preceding the day on which such meeting of Shareholders will be held (the "**Record Date**"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to their Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Fund or Class only.

Resolutions concerning the interests of the Shareholders of the Company shall be taken in a general meeting and resolutions concerning the particular rights of the Shareholders of one specific Sub-Fund shall be taken by this Sub-Fund's general meeting.

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

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CAPITAL STOCK

The capital of the Company shall at all times be equal to the value of the net assets of the Company.

The minimum capital of the Company shall be the EUR 1,250,000.- (one million two hundred fifty thousand Euros).

The Board of Directors is authorised, without limitation and at any time, to issue additional shares at the respective Net Asset Value per share determined in accordance with the provisions of the Company's Statutes, without reserving to existing shareholders a preferential right to subscribe for the shares to be issued.

All Shares are issued, fully paid and have no par value. Each Share carries one vote, regardless of its Net Asset Value and of the Sub-Fund to which it relates.

Shares are available in registered form only. No share certificates will be issued in respect of registered shares unless specifically requested; registered share ownership will be evidenced by confirmation of ownership.

The Board of Directors may decide to issue one or more classes of shares within each Sub-Fund according to specific criteria to be determined, such as specific minimum investment amount, specific commissions, charges or fees structure, dividend policy or other criteria.

Currently, QUEST MANAGEMENT – QUEST CLEANTECH FUND issues five (5) classes of shares which differ with their minimum initial investment and the respective fee paid to the Investment Manager.

The following table summarizes the structure of the classes of shares for this Sub-Fund:

<u>Class</u>	<u>Minimum Investment</u>	<u>Initial</u>	<u>Fee to be paid to the Investment Manager</u>
A	n/a		Performance Fee only
B	n/a		1.25 % p.a. – No Performance Fee
C	EUR 250,000.-		0.625 % p.a. – No Performance Fee
R (Funds for Good)	n/a		1.25% p.a. – No Performance Fee
I (Funds for Good)	EUR 250,000.-		0.625% p.a. - No Performance Fee

The fee is subject to the conditions as described under "Investment Manager".

Upon the issue of other classes or sub-classes of shares, the prospectus shall be updated to provide the shareholders with any necessary information.

A shareholder may, at his own expense, at any time, request the Company to convert his shares from one class or sub-class to another class or sub-class based on the relative Net Asset Value of the Shares to be converted (except if restrictions to such conversion are contained in this prospectus or in the simplified prospectus).

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Fractions of Shares may be issued with four decimals of a Share. Fractions of Shares will have no voting rights but will participate in the distribution of dividends, if any, and in the liquidation distribution.

If the capital of the Company becomes less than two-thirds of the legal minimum, the Board of Directors must submit the question of the dissolution of the Company to the general meeting of Shareholders.

The meeting is held without a quorum, and decisions are taken by simple majority. If the capital becomes less than one quarter of the legal minimum, a decision regarding the dissolution of the Company may be taken by Shareholders representing one quarter of the shares present. The meeting in the foregoing instance must be convened not later than 40 days from the day on which it appears that the capital has fallen below two-thirds or one quarter of the minimum capital, as the case may be.

INVESTMENT OBJECTIVE AND POLICY

The objective of the Company is to provide investors with an opportunity for investment in a professionally managed investment fund respecting the principle of risk diversification.

Currently, the Company has one (1) Sub-Fund:

QUEST MANAGEMENT – QUEST CLEANTECH FUND (denominated in EUR):

The objective of the Fund is to achieve long term capital growth.

The Fund is actively managed, mainly investing in stocks of cleantech companies listed in developed markets. Cleantech can be defined as products and services that provide cleaner or more efficient use of the Earth's natural resources, such as energy, water, air and raw materials. The Fund focuses on cleantech companies in areas such as renewable energy, energy efficiency, water treatment, waste management, pollution control and advanced materials. In addition, the Fund may invest in stocks of cleantech companies listed in emerging markets as well as in convertible bonds issued by cleantech companies.

Examples of areas of interest (without being exhaustive) are:

Renewable Energy:

- Wind energy
- Solar energy
- Biomass & biofuels
- Hydropower
- Other renewable energy

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Energy Efficiency:

- Green building
- Clean transport and fuel efficiency
- Controls and energy optimisation
- Smart grid and energy storage
- Energy efficient lighting

Resource Efficiency:

- Water management
- Pollution control
- Recycling and waste management
- Agricultural and bio-based solutions
- Advanced materials

The Sub-Fund enables investors to benefit from the anticipated strong growth in cleantech and environmental products and services. This expected growth is driven by increasing public awareness and more government policies to increase use of energy from more environmentally friendly resources, to secure future supply of energy and water, to reduce environmental damage, to control global warming and to more efficiently use resources and materials.

The Sub-Fund selects companies where there is potential for long-term fundamental value growth.

Risk is diversified by selecting companies from a number of cleantech sub-sectors as well as geographic regions.

The Sub-Fund invests in stocks on a global basis. Investments are sought primarily in common shares of corporations domiciled in developed countries, but limited investments may be made in the transferable securities of corporations in developing countries in Europe, Asia and South America such as Argentina, Brazil, China, Czech Republic, Estonia, Greece, India, Israel, Mexico, Poland, Slovakia, Slovenia, Latvia and Lithuania. The Sub-Fund does not invest in Russia. **CERTAIN EMERGING MARKETS MAY NOT QUALIFY AS ACCEPTABLE MARKETS UNDER ARTICLE 41 (1) OF THE LAW. INVESTMENTS IN SUCH MARKETS WILL BE DEEMED AS INVESTMENTS IN NON-LISTED SECURITIES AND MAY NOT EXCEED, TOGETHER WITH SECURITIES AND MONEY MARKET INSTRUMENTS OTHER THAN THOSE REFERRED TO IN SAID ARTICLE 41 (1), 10% OF THE TOTAL NET ASSETS OF THE SUB-FUND.** The Sub-Fund may invest, on an ancillary basis, in transferable debt securities convertible into common shares, preference shares or other equity linked transferable securities. The Sub-Fund does not use derivative instruments.

The Sub-Fund will further not invest more than 10% of its net assets in aggregate in units of other UCITS or other collective investment undertakings.

The above investment objective and policy does not constitute a guarantee of performance.

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The Sub-Fund is intended for long-term private and/or institutional investors who are interested in seeking long-term growth of capital and who are aware of the chances and risks. It is not meant to provide a vehicle for short-term investing in the stock market. Investors should understand the volatility of this type of equity investing, and be able to accept the possibility of capital losses. As a consequence of a high return/risk, it is advisable to use the Sub-Fund as a limited supplement to other equity investments.

TECHNIQUES AND INSTRUMENTS

GENERAL PROVISIONS

For the purpose of efficient portfolio management and/or to protect its assets and commitments or, when it is specified in the investment policy of a specific Sub-Fund, for another purpose, the Company may arrange for each Sub-Fund to make use of techniques and instruments relating to Transferable Securities and Money Market Instruments or other types of underlying assets always in compliance with CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues (the "**CSSF Circular 14/592**").

The techniques and instruments referred to in this paragraph include, among others, the purchase and sale of call and put options and the purchase and sale of future contracts or the entering into swaps relating to foreign exchange rates, currencies, securities, indices, interest rates or other admissible financial instruments as further described hereinbelow. The Sub-Funds shall use instruments dealt in on a regulated market referred to under "Investment Possibilities" or dealt in over-the-counter (in accordance with the conditions set out in "Investment Possibilities" and "Investment Restrictions"). In general, when these transactions involve the use of derivatives, the conditions and restrictions set out in these chapters must be complied with.

In addition, techniques and instruments include securities lending transactions as well as sale with right of repurchase transactions / reverse repurchase and repurchase agreement transactions. In no case whatsoever must recourse to transactions involving derivatives or other financial techniques and instruments cause the Company to depart from the investment objectives set out in the Prospectus.

USE OF DERIVATIVE INSTRUMENTS

- **Limits**

Investments in derivative instruments will be in compliance with CSSF Circular 14/592 and may be carried out provided the global risk relating to the financial instruments does not exceed the total net assets of a Sub-Fund.

In such context "global risk relating to financial derivative instruments does not exceed the total net value of the portfolio" means that the global risk relating to the use of financial derivative instruments shall not exceed 100% of the Net Asset Value and that the global risk for a Sub-Fund shall not be higher on a long-term basis than 200% of the Net Asset Value.

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The global risk for the Sub-Fund may be increased by 10% by way of temporary borrowings in such a way that such global risk shall never be higher than 210% of the Net Asset Value.

The risks 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.

Short and long positions on the same underlying asset or on assets having an important historical correlation, may be set off.

When a transferable security or a money market instrument embeds a derivative product, the latter must be taken into account when complying with these provisions.

When a Sub-Fund has recourse to derivative instruments based on an index, such investments are not combined with limits set forth in "Investment Restrictions".

- **Special limits relating to credit derivatives**

The Company may carry out transactions on credit derivatives:

- with first class counterparties specialised in this type of transaction;
- whose underlying assets comply with the investment objectives and policy of the Sub-Fund;
- that may be liquidated at any time at their valuation value;
- whose valuation must be periodically reliable and verifiable;
- for hedging purposes or not.

If the credit derivatives are concluded for another purpose than hedging, the following requirements must be fulfilled:

- credit derivatives must be used in the exclusive interest of investors by assuming an interesting return balanced against risks of the Company and in accordance with the investment objectives;
- investment restrictions in "Investment Restrictions" shall apply to the issuer of a Credit Default Swap (CDS) and to the risk of the final debtor of the credit derivative (underlying), except if the credit derivative is based on an index;
- the Sub-Funds must ensure an appropriate and permanent covering of the commitments relating to CDS in order to be able at any time to meet the redemption requests from investors.

Claimed strategies relating to credit derivatives are notably the following (which may, as appropriate, be combined):

- to invest quickly the newly subscribed amounts in an UCI in the credit market via the sale of credit derivatives;

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- in case of positive anticipation on the evolution of spreads, to take a credit exposure (global or targeted) thanks to the sale of credit derivatives;
- in case of negative anticipation on the evolution of spreads, to protect or take actions (globally or targeted) by the purchase of credit derivatives.

- **Special limits relating to equity swaps and index swaps**

The Company may conclude equity swaps and swaps on market indices, in accordance with the investment restrictions in "Investment Restrictions":

- with first class counterparties specialised in this type of transaction;
- where underlying assets comply with the investment objectives and policy of the Sub-Fund;
- they may be liquidated at any time at their valuation value;
- whose valuation must be periodically reliable and verifiable;
- for hedging purposes or not.

Each index will comply with the classification of "financial index" pursuant to article 9 of the Grand Ducal Regulation of February 8, 2008 relating to certain definitions of the UCI Law and with CSSF Circular 14/592.

- **Conclusion of "Contracts for Difference" ("CFD")**

Each Sub-Fund may enter into "contracts for difference" ("CFD"). A CFD is an agreement between two parties for the exchange, at the end of the contract, of the difference between the open price and the closed price of the contract, multiplied by the number of units of the underlying assets specified in the contract. These differences in the settlements are therefore made by payment in cash more than by physical delivery of underlying assets.

When these CFD transactions are carried out for a different purpose than the one of risk hedging, the risk exposure relating to these transactions, together with the global risk relating to other derivative instruments shall not, at any time, exceed the net asset value of the concerned Sub-Fund.

Particularly, the CFD on transferable securities, on financial index or on swaps shall be used strictly in accordance with the investment policy followed by each Sub-Fund. Each Sub-Fund shall ensure an adequate and permanent coverage of its commitments related to CFDs in order to face the redemption requests of shareholders.

- **Intervention on currency markets**

Each Sub-Fund may enter into transactions on derivatives on currencies (such as forward exchange, options, futures and swaps) for hedging purpose or intended to take exchange risks within its investment policy without however diverting from its investment objectives.

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2. EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES (EMT)

- **Securities lending transactions**

The Sub-Funds may enter into securities lending transactions provided that these transactions comply with the regulations set forth in CSSF Circular 08/356 and CSSF Circular 14/592.

Each Sub-Fund may lend the securities included in its portfolio to a borrower either directly or through a standardized lending system organized by a recognized clearing institution or through a lending system organized by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU Law and specialized in this type of transactions. In all cases, the counterparty to the securities lending agreement (i.e. the borrower) must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement.

Each Sub-Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to obtain the return of the securities lent or terminate such lending arrangements at any time in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardize the management of the Sub-Fund's assets in accordance with its investment policy.

The Company does not act as securities lending agent.

- **Sale with right of repurchase transactions / Reverse repurchase and Repurchase agreement transactions**

Each Sub-Fund may, acting as buyer, agree to purchase securities with a repurchase option (consisting of the purchase of securities with a clause reserving for the seller the right to repurchase the securities sold from the Sub-Fund at a price and time agreed between the two parties at the time when the contract is entered into) or, acting as seller, agree to sell securities with a repurchase option (consisting of the sale of securities with a clause reserving for the Sub-Fund the right to repurchase the securities from the purchaser at a price and at a time agreed between the two parties at the time when the contract is entered into); each Sub-Fund may also enter into reverse repurchase agreement transactions (which consist of a forward transaction at the maturity of which the seller -counterparty - has the obligation to repurchase the asset sold and the Sub-Fund the obligation to return the asset received under the transaction) and into repurchase agreement transactions (which consist of a forward transaction at the maturity of which the Sub-Fund has the obligation to repurchase the asset sold and the buyer - the counterparty - the obligation to return the asset received under the transaction).

The involvement of each Sub-Fund in such transactions is however subject to the regulations set forth in CSSF Circular 08/356 and CSSF Circular 14/592.

Consequently, each Sub-Fund must comply with the following rules:

It may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.

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During the duration of a purchase with a repurchase option agreement or of a reverse repurchase agreement, it may not sell or pledge/give as security the securities which are the subject of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless it has other means of coverage.

It must ensure that it is able, at all times, to meet its redemption obligations towards its shareholders by recalling the securities or terminating the agreement at any time.

Securities that are the subject of purchase with a repurchase option transaction or of reverse repurchase agreements are limited to:

- (i) short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of March 19, 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- (ii) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (iv) bonds issued by non-governmental issuers offering an adequate liquidity;
- (v) shares quoted or negotiated on a regulated market of a EU Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The securities purchased with a repurchase option or through a reverse repurchase agreement transaction must be in accordance with the Sub-Fund investment policy and must, together with the other securities that it holds in its portfolio, globally comply with its investment restrictions.

• Common provisions to EMT

All revenues arising from EMT, net of any direct or indirect operating costs (which generally shall not exceed 20% of gross revenue) shall be returned to the Sub-Fund and will form part of the Net Asset Value of the Sub-Fund.

The Company's annual report will contain information on income from efficient portfolio-management techniques and OTC for the Sub-Funds' entire reporting period, together with details of the Sub-Funds' direct (e.g. transaction fees for securities, etc.) and indirect (e.g. general costs incurred for legal advice) operational costs and fees, insofar as they are associated with the management of the corresponding Company/Sub-Fund as well as information on collateral as required by CSSF Circular 14/592.

The Company's annual report will provide details on the identity of companies associated with the Company or its Custodian, provided they receive direct and indirect operational costs and fees.

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The counterparties to the agreements on the use of techniques and instruments for efficient portfolio management and OTC will be selected according to the Company's principles for executing orders for financial instruments (the "**best execution policy**"). The costs and fees to be paid to the respective counterparty or other third party will be negotiated according to market practice.

In principle, the counterparties are not affiliated companies of the Company or companies belonging to the promoter's group.

When entering into EMT, each Sub-Fund must receive, in principle, a guarantee the value of which is, during the lifetime of the lending agreement, at least equivalent to 102% and 105% (respectively for bonds' and equities' transactions) of the global valuation (interests, dividends and other possible rights included) of the securities lent, depending on the degree of risk that the market value of the assets included in the guarantee may fall. Likewise, a haircut of 2% and 5% (respectively for bonds' and equities' transactions) is required to cover any decrease of the market value of the assets included in the guarantee, depending on the degree of risk that such decrease occurs.

The Company must proceed on a daily basis to the valuation of the guarantee received.

- **Management of collateral for OTC financial derivatives transactions and EMT**

As security for any EMT and OTC financial derivatives transactions, the relevant Sub-Fund will obtain collateral covering at least the market value of the financial instruments object of EMT and OTC financial derivatives transactions.

Collateral received must at all time meet with the following criteria:

- (a) **Liquidity:** Collateral must be sufficiently liquid in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.
- (b) **Valuation:** Collateral must be capable of being valued on at least a daily basis and must be marked to market daily.
- (c) **Issuer credit quality:** Unless otherwise provided for in the relevant Appendix, the Company will ordinarily only accept very high quality collateral which is typically not subject to a haircut.
- (d) **Safe-keeping:** Collateral must be transferred to the Custodian or its agent.
- (e) **Enforceable:** Collateral must be immediately available to the Company without recourse to the counterparty, in the event of a default by that entity.
- (f) **Non-Cash collateral**
 - cannot be sold, pledged or re-invested;
 - must be issued by an entity independent of the counterparty; and
 - must be diversified to avoid concentration risk in one issue, sector or country in accordance with CSSF Circular 14/592.

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(g) Cash Collateral can only be:

- placed on deposit with entities prescribed in Article 41(f) of the Law;
- invested in high-quality government bonds;
- used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in ESMA's Guidelines on a Common Definition of European Money Market Funds.

Each Sub-Fund may reinvest cash which it receives as collateral in connection with the use of techniques and instruments for efficient portfolio management, pursuant to the provisions of the applicable laws and regulations, including CSSF Circular 08/356 and CSSF Circular 14/592.

Re-invested cash collateral will expose the Sub-Fund to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Each Sub-Fund must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Sub-Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities.

During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged.

INVESTMENT POSSIBILITIES

The investments of each Sub-Fund of the Company shall consist exclusively of:

- a) transferable securities and money market instruments admitted to or dealt in on a regulated market;
- b) transferable securities and money market instruments dealt in on another market in an Member State of the EU which is regulated, operates regularly and is recognized and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a country in Europe (other than an EU Member State), North and South America, Asia, Australia, New Zealand or Africa or dealt in on another market in one of these countries which is regulated, operates regularly and is recognized and open to the public;

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- d) new issues of transferable securities and of money market instruments, provided that:
- the terms of issue include an undertaking that applications will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognized and open to the public in a country in Europe (including an EU Member State), North and South America, Asia, Australia, New Zealand or Africa;
 - such admission is scheduled to be secured within a year of issue.
- e) units of UCITS authorized according to UCITS Directive and/or other collective investment undertakings (UCI) within the meaning of the points a) and b) of Article 1 paragraph (2) of the UCITS Directive should they be situated in a EU Member State or not, provided that:
- such other collective investment undertakings are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
 - the level of protection for shareholders in the other collective investment undertakings is equivalent to that provided for shareholders 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 UCITS Directive;
 - the business of the other collective investment undertakings is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; and
 - no more than 10% of the UCITS' or the other collective investment undertakings' assets, whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or other collective investment undertakings;
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered office in a EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in a), b) and c) hereinabove; and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
- the underlying consists of instruments covered by this paragraph, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives;

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- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; 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 Company's initiative;
- h) money market instruments other than those dealt in on a regulated market, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU Member State or, in the case of a Federal State by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking any securities of which are dealt in on regulated markets referred to in a), b) or c) hereinabove, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph h), and provided that the issuer is a company whose capital and reserves amount to at least ten million Euros (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with 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 securitization vehicles which benefit from a banking liquidity line.

INVESTMENT RESTRICTIONS

- 1)
 - i) The Company may invest no more than 10% of each Sub-Fund's assets in transferable securities and money market instruments other than those referred to in a), b), c), d) and h) hereinabove under "Investment Possibilities";
 - ii) The Company may acquire movable and immovable property which is essential for the direct pursuit of its business;

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- iii) The Company may not acquire either precious metals or certificates representing them.
- 2) i) The Company will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuing body. The Company may invest no more than 20% of the assets of a Sub-Fund in deposits made with the same body. The risk exposure to a counterparty of the Company in an OTC derivative transaction may not exceed 10% of the assets of the relevant Sub-Fund when the counterparty is a credit institution referred to in f) hereinabove under "Investment Possibilities" or 5% of the relevant Sub-Fund's assets in other cases.
- ii) The total value of the transferable securities and money market instruments held by each Sub-Fund in the issuing bodies in each of which the Sub-Fund invests more than 5% of its net assets must not 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.

Notwithstanding the individual limits laid down in paragraph i), the Company may not, for each Sub-Fund, combine

- investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body,

in excess of 20% of the Sub-Fund's net assets.

- iii) The limit of 10% laid down in paragraph 2 i) 1st sentence above may be increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, its local authorities, or by a non-Member State or by public international bodies of which one or more Member States are members.
- iv) The limit of 10% referred to in paragraph 2) i) 1st sentence may be raised to maximum 25% for certain debt securities if they are issued by a credit institution whose registered office is situated in a Member State and which is subject, by virtue of law to particular public supervision for the purpose of protecting the holders of such debt securities. In particular, the amounts resulting from the issue of such debt securities must be invested pursuant to the law in assets which sufficiently cover, during the whole period of validity of such debt securities, the liabilities arising therefrom and which are assigned to the preferential repayment of capital and accrued interest in the case of bankruptcy of the issuer. If a Sub-Fund invests more than 5% of its net assets in such debt securities and issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-Fund's net assets.

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- v) The transferable securities and money market instruments referred to in paragraphs 2) iii) and 2) iv) above are not included in the calculation of the limit of 40% laid down in paragraph 2) ii).

The limits set out in paragraphs i), ii) iii) and iv) may not be aggregated and accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or derivative instruments made with this body effected in accordance with sub-paragraphs i), ii) iii) and iv) above may not, in any event exceed a total of 35% of any Sub-Fund's net assets. A Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

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

Notwithstanding the limits set out in 2) above, in accordance with article 44 of the Law, each Sub-Fund is authorized to invest up to 20% of its net assets in shares and/or debt securities issued by the same body when such Sub-Funds' investment policy is to replicate the composition of a certain equity or debt securities index which is recognized by the CSSF on the following basis:

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

The limit of 20% is raised to 35% when justified by exceptional market conditions in particular on regulated markets when certain transferable securities or money market instruments are highly dominant. The investment up to 35% shall only be permitted for one single issuer.

Notwithstanding 2) above, in accordance with article 45 of the Law, the Company is authorized to invest up to 100% of the net assets of each Sub-Fund in transferable securities and money market instruments issued or guaranteed by an EU Member State, its local authorities, or by an OECD Member State or public international bodies of which one or more EU Member States are members on the condition that the respective Sub-Fund's net assets are diversified on a minimum of six separate issues, and each issue may not account for more than 30% of the total net asset value of the Sub-Fund.

- 3) i) The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- ii) The Company may acquire no more than (a) 10% of the non-voting shares of the same issuer or (b) 10% of the debt securities of the same issuer, or (c) 10% of the money market instruments of any single issuer, or (d) 25% of the units of the same collective investment undertaking provided that such limits laid down in (b), (c) and (d) may be disregarded at the time of acquisition if at that time the gross

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amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

- iii) The limits laid down in i) and ii) above shall not apply to the following:
- transferable securities and money market instruments issued or guaranteed by a EU Member State or its local authorities or by a non EU Member State or issued by public international bodies of which one or more EU Member States are members; or
 - shares held by the Company in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that State, if, under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State, provided that in its investment policy the company from the non-Member State of the European Union complies with the limits laid down herein in 2, 3 i) and ii) and 4; or
 - shares held by the Company in the capital of subsidiary companies which, exclusively on its 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 shares at the request of shareholders.
- 4) i) The Company may acquire the units of UCITS and/or other UCI referred to in e) hereinabove under "Investment Possibilities", provided that no more than 10% of the net assets of each Sub-Fund are invested in the units of UCITS or other UCIs.
- For the purpose of the application of this investment limit, each compartment of a UCI with multiple Sub-Funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various Sub-Funds *vis-à-vis* third parties is ensured.
- ii) When the Company has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in 2 hereinabove.
- iii) When the Company invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Company investment in the units of such other UCITS and/or UCIs.
- 5) The Company may not borrow.

However, the Company may acquire foreign currency by means of a back-to-back loan and may borrow the equivalent of:

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- a) up to 10% of the net assets of each Sub-Fund provided that the borrowing is on a temporary basis;
 - b) up to 10% of the net assets of each Sub-Fund provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of its business; in this case, these borrowings and those referred to above may not in any case in total exceed 15% of the net assets of a Sub-Fund of the Company.
- 6) The Company may not grant loans to or act as guarantor for third parties. This shall not prevent the Company from acquiring transferable securities or money market instruments or other financial instruments referred to in e), g) and h) hereinabove under "Investment Possibilities" which are not fully paid.
- 7) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in e), g) and h) hereinabove under "Investment Possibilities".
- 8) i) The Company will employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it will employ a process for accurate and independent assessment of the value of OTC derivative instruments. The Company will communicate to the CSSF regularly and in accordance with the detailed rules the CSSF shall define, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.
- ii) The Company may employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down by the CSSF provided that such techniques and instruments are used for the purpose of efficient portfolio management. When these operations concern the use of derivative instruments, these conditions and limits shall conform to the Law. Under no circumstances shall these operations cause the Company to diverge from its investment objective.
- iii) The Company shall ensure that each Sub-Fund's 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. A Sub-Fund may invest, as part of its investment policy and within the limits laid down in 2 viii) above in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in 2 above. 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 2 above. 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 paragraph.
- iv) The Company uses the commitment approach as method to calculate the global exposure of its Sub-Funds. No leverage is expected.

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- 9) The Company may hold ancillary liquid assets.
- 10) i) The Company need not comply with the limits laid down hereinabove when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets. While ensuring observance of the principle of risk-spreading, the Company may derogate from restrictions 2 and 4 for a period of six months following the date of the authorisation of any new Sub-Fund.
- ii) If the limitations are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
- iii) To the extent an issuer is a legal entity with multiple compartments 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 or 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-spreading rules set out in 2 and 4.

The Board of Directors of the Company may impose any other investment restrictions at any time in the interest of the shareholders whenever necessary to comply with the laws and requirements of those countries where the Company's shares are offered.

RISK FACTORS

Risk Factors associated with QUEST MANAGEMENT - QUEST CLEANTECH FUND

MARKET RISK

The Sub-Fund is normally nearly 100% invested in equities. Equity investments are volatile and will vary over time. Therefore the value of the Sub-Fund's holdings will affect the Sub-Fund's share price accordingly.

COUNTRY AND CURRENCY RISK

Investments are spread globally, but can from time to time be concentrated in specific markets. The number one objective is to pick the right companies, and secondly to try to keep a geographic diversity.

The Sub-Fund is invested in securities denominated in a number of different currencies other than the Base Currency. Changes in the foreign currency exchange rates will affect the value of shares held in the Sub-Fund.

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LESS DEVELOPED MARKETS

Investors should note that this Sub-Fund may invest in less developed markets. These markets may be volatile and illiquid and the investments of the Sub-Fund in such markets may be considered speculative and subject to significant delays in settlement. The risk of significant fluctuations in the net asset value and of the suspension of redemptions in this Sub-Fund may be higher than for Sub-Funds investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets. The assets of the Sub-Fund investing in such markets, as well as the income derived from the Sub-Fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of shares of this Sub-Fund may be subject to significant volatility.

Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulations and less well defined tax laws and procedures than in countries with more developed securities markets.

Many investments in emerging markets can be considered speculative, and therefore may offer higher potential for gains and losses and may be more volatile than investments in the developed markets of the world.

Investing in emerging equity securities, especially those denominated in local currencies, can be speculative and involves risk.

SECTOR RISK

The Sub-Fund invests in cleantech companies. The sector may experience above the market average volatility and such volatility may affect the value of shares held in the Sub-Fund. The frequent price fluctuations of companies in this sector are a consequence of the early stages of the development of this sector. Generally the investments made by the Sub-Fund in the cleantech sector will be less liquid than investments made in ordinary markets. Investing in this sector is only suitable for long term investors who are willing to accept greater short term fluctuations in the value of their investment however, with the expectations of earning an attractive return in the long term. As a consequence of a high return/risk it is advisable to use the Sub-Fund as a limited supplement to other equity investments.

LIQUIDITY RISK

Despite the heavy volume of trading in securities, the markets for some securities have limited liquidity and depth. This is particularly the case for developing markets which, while generally growing in volume, have, for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizable markets. This lack of depth could be a disadvantage to the Sub-Fund, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

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COMPANY RISK

The Sub-Fund normally consists of approximately thirty (30) holdings. If one or several of the investments experience difficulties this may be reflected negatively which will affect the value of shares held in the Sub-Fund.

COUNTERPARTY RISK

The Sub-Fund invests in instruments, such as derivatives, by entering into contracts with financial counterparties, and in doing so exposes itself to the risk that these said counterparties may generate financial damage to the Sub-Fund itself by not fulfilling their obligations in the future, exposing the Sub-Fund to financial losses in the process.

Furthermore the Sub-Fund may be exposed to finance sector companies in their role as service providers and in times of extreme market volatility such companies might be adversely affected which in turn could have a harmful effect on the activities of the Sub-Fund.

The list above refers to the most frequently encountered risks and is not an exhaustive list of all the potential risks.

All these risks are correctly identified and monitored according to CSSF Circulars 11/512 and 14/592. The use of efficient portfolio management techniques will not result in a change to the investment policy of a Sub-Fund and should not add substantial supplementary risk to the original risk policy of the relevant Sub-Fund.

DISTRIBUTION POLICY

No distributions are contemplated and all income shall be automatically reinvested.

NET ASSET VALUE

The Net Asset Value of each class or sub-class of shares of each Sub-Fund shall be expressed in the Sub-Fund's Base Currency as a per share figure and shall be determined on any Valuation Date, by the Management Company by dividing the value of the net assets of that Sub-Fund to be allocated to such class or sub-class of shares, being the value of the assets of that class or sub-class of shares of that Sub-Fund less its liabilities, on the Valuation Date, by the number of shares of that class or sub-class of the relevant Sub-Fund then outstanding.

The Net Asset Valuation takes place on each Luxembourg bank business day (the "**Valuation Date**"), i.e. on which banks are open all day in Luxembourg. 24 December in each year will not be considered as a business day.

The Company may at any time and from time to time suspend the calculation of the Net Asset Value of the Shares of any Sub-Fund and the issue, the redemption and the conversion thereof in the following instances:

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- during any period (other than ordinary holiday or customary weekend closings) when any market or stock exchange is closed and which is the main market or stock exchange for a significant part of the Sub-Fund 's investments, or in which trading is restricted or suspended; or
- during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer money involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible fairly to determine the value of any assets in a Sub-Fund; or
- during any breakdown in the means of communication normally employed in determining the price of any of the Sub-Fund 's investments or the current prices on any stock exchange; or
- when for any reason the prices of any investments held by a Sub-Fund cannot be reasonably, promptly or accurately ascertained; or
- during any period when remittance of monies which will or may be involved in the realization of or in the payment for any of the Sub-Fund 's investments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange; or
- when a shareholders' meeting is called to decide on a proposal to dissolve the Company.

When exceptional circumstances might negatively affect shareholders' interests, or in the event of extensive redemption applications, the Board of Directors of the Company may decide to delay the settlement of the redemption applications until it has sold the corresponding assets of the Sub-Fund without unnecessary delay. On payment of the redemption price, the corresponding share ceases to be valid.

Any such suspension shall be notified to the existing shareholders, as well as to the shareholders requesting subscription, conversion or redemption of shares on the day following their request. Pending subscription, conversion and redemption requests can be withdrawn after written notification as long as these notifications reach the Management Company before the end of the suspension. Pending requests will be considered on the first Valuation Date following the end of the suspension.

The valuation shall be effected in the following manner:

A) The assets of the Company shall include:

- a) all cash in hand or in bank including the outstanding interest;
- b) all instruments and promissory notes due on demand and all accounts receivable, (including proceeds from the sale of securities for which the price has not yet been received);
- c) all securities, units, shares, bonds, options, subscription warrants and share rights and other investments and transferable securities which are owned by the Company;

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- d) all dividends and distributions to be received by the Company in cash or in securities (the Company may, however, make adjustments based on fluctuations of the market value of the transferable securities arising from practices such as ex dividend or ex right transactions);
- e) all outstanding interest earned on securities owned by the Company unless, however, such interest is included in the principal amount of said securities;
- f) the preliminary expenses of the Company if such were not amortised; and
- g) all other assets of any kind whatsoever including any expenses paid in advance.

The value of the assets of each class or sub-class of shares of each Sub-Fund is determined as follows:

- 1) Securities or money market instruments admitted to official listing on a stock exchange or which are traded on another regulated market which operates regularly and is recognized and open to the public in Europe (including the EU countries) or North or South America, Asia, Australia, New Zealand or Africa are valued on the base of the last known price. If the same security or instrument is quoted on different markets, the quotation of the main market for this security or instrument will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establishing the probable sales price for such securities or instruments;
- 2) Non-listed securities or money market instruments are valued on the base of their probable sales price as determined in good faith by the Board of Directors or its delegate;
- 3) Liquid assets are valued at their nominal value plus accrued interest;
- 4) Units of UCIs are valued on the basis of their last known net asset value;
- 5) Futures and options are valued by reference to the previous day's closing price on the relevant market. The market prices used are the futures exchanges settlement prices;
- 6) Swaps are valued at their fair market value on the basis of the last known closing price of the underlying asset.

For the assets which are not denominated in the currency in which a Sub-Fund is denominated, the conversion shall be done on the basis of the exchange rate for such currency ruling on the relevant bank business day in Luxembourg.

In addition, appropriate provisions will be made to account for the charges and fees levied on the Sub-Funds.

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In the event it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, the Board of Directors or its designee is entitled to use other generally recognised valuation principles, which can be examined by an auditor, in order to reach a proper valuation of each Sub-Fund's total assets.

B) The liabilities of the Company shall be deemed to include:

- a) all loans, due bills and accounts payable;
- b) all administrative expenses, whether fallen due or an outstanding balance (including the remuneration of the Management Company, investment managers, depositaries and other representatives and agents of the Company);
- c) all known commitments, whether or not due, including all contractual commitments fallen due where such commitments involve a payment either in cash or in goods, including the amount of dividends declared but not paid by the Company if the Valuation Date coincides with the date at which the persons who are or will be entitled to such dividends are determined;
- d) an adequate reserve for any tax on the Net Asset Value, accrued up to the Valuation Date and fixed by the Board of Directors and any other reserves authorised or approved by the Board of Directors;
- e) all other commitments of the Company of any kind whatsoever other than commitments represented by the shares of the Company. For the purpose of estimating the amount of such commitments the Company shall take into account all of its payable expenses, such as described under the Chapter “Expenses” hereinbelow. For the purpose of estimating the amount of such liabilities, the Company may factor in any regular or recurrent administrative and other expenses on the basis of an estimate for the year or any other period by dividing the amount in proportion to the fractions of such period.

C) The Board of Directors shall establish a portfolio of assets for each Sub-Fund, and for one or more classes of shares if such classes were issued in accordance with Article 5 of the Articles of Incorporation, in the manner prescribed hereafter.

If one or more sub-classes of shares are created within the classes of shares, in accordance with the terms set forth in Article 5 of the Articles of Incorporation, the rules of allotment determined hereafter shall apply mutatis mutandis to each sub class of shares.

- a) the proceeds from the issue of the Shares of each Sub-Fund shall be attributed, in the books of the Company, to the portfolio of assets established for such Sub-Fund, it being understood that if a portfolio of assets is established for one or more classes of shares as indicated above, the following rules shall apply mutatis mutandis to such classes of shares, and the assets, liabilities, income and expenses relating to such Sub-Fund or such classes of shares shall be attributed to this portfolio of assets in accordance with the provisions of this Chapter;

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- b) if an asset derives from another asset, such derived asset shall be attributed, in the books of the Company, to the same portfolio to which the asset generating it belongs and at each revaluation of an asset, the increase or reduction in value shall be attributed to the portfolio to which such asset belongs;
- c) when the Company pays any liability which relates to an asset of a given portfolio or relates to an operation carried out in connection with an asset of a given portfolio, this liability shall be attributed to the portfolio in question;
- d) if an asset or liability of the Company may not be attributed to a given portfolio, such asset or liability shall be attributed to all the portfolios in proportion to the net values of the various Sub-funds;

it being understood that :

- 1) all unsubstantial amounts may be apportioned between all the portfolios and
- 2) the Board of Directors may allocate expenses, after having consulted the Company's auditor, in an equitable and reasonable manner while taking into account all the circumstances; and

the Board of Directors may reattribute an asset or liability previously attributed if they deem that such is required by the circumstances; and

the Board of Directors may attribute an asset from one portfolio to another in the Company's books if (including the situation where a creditor takes action against specific assets of the Company) a liability has not been attributed in accordance with the methods determined by the Board of Directors under the terms of this Chapter.

D) For the purposes of this Chapter:

- a) the Shares for which subscriptions have been accepted but for which payment has not yet been received, shall be regarded as existing as from the close of the Valuation Date on which their price was determined. The price, until it is received by the Company, shall be regarded as a claim of the Company;
- b) each Share of the Company which is in the process of being repurchased in accordance with Article 16 of the Articles of Incorporation, shall be regarded as an issued and existing Share until after the close of the aforesaid Valuation Date and shall, as from such day and until the price thereof is paid, be regarded as a liability of the Company;
- c) all investments, cash balances or other assets of the Company which are not expressed in the Company's Base Currency shall be valued after taking into account the current exchange rates at the day and time the value of the shares is determined; and
- d) as far as possible, any purchase or sale of transferable securities contracted by the Company shall take effect on the Valuation Date.

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ISSUE OF SHARES

During any initial offering of shares, shares shall be subscribed during the initial subscription period at a price such as determined by the Company.

Subscriptions may be received by the Management Company or any duly appointed Distributor.

Initial applications shall be made via the application form. Subsequent applications may be made in writing or by fax.

The Board of Directors is authorised, without limitation and at any time, to issue further shares of no par value for all Sub-Funds at the respective Net Asset Value per share, without reserving to existing shareholders a preferential subscription right for the shares to be issued.

For any subscription received by the Management Company prior to 4.00 p.m. Central European Time ("CET") on the business day prior to a Valuation Date, the Net Asset Value calculated on that Valuation Date will be applicable. At the time of placement of the order by the investor, the Net Asset Value per share of the relevant Sub-Fund or class of shares will thus be unknown ("forward pricing"). At the level of the sales agencies or intermediaries, whether in Luxembourg or abroad, earlier cut-off times for receipt of orders may be applied to ensure timely forwarding of the orders to the Management Company of the Company. These earlier cut-off times can be obtained from the respective sales agencies or intermediaries.

For any subscription received by the Management Company after 4.00 p.m. CET on the business day prior to a Valuation Date the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Date.

The Company may charge an initial subscription fee up to a maximum of 2% of the subscription amount. This initial subscription fee may be paid to financial intermediaries appointed from time to time by the Management Company.

The Company may charge a fee of EUR 20.- per initial subscription to cover the administrative costs of setting up the investors details on the shareholders' register. The Company may also charge a transaction fee of EUR 10.- per additional subscription to cover the associated administration costs. These fees are payable only to the Management Company.

Shares will be allotted at Net Asset Value on the basis of the subscription amount net of any fees.

All Shares will be allotted immediately upon subscription and payment therefore must be received by the Company not later than three (3) business days following the relevant Valuation Date. Otherwise subscriptions may be cancelled without prejudice to the Company's right to recover any charges due or losses incurred.

Payments should preferably be made in the relevant Sub-Fund's Base Currency but the Company shall accept payment in other currencies than the Sub-Fund's Base Currency but in

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that case, the shareholder shall bear the expenses and risks of the exchange transaction at market conditions.

The Company may also accept securities as payment of the shares provided that the securities meet the investment policy and investment restrictions of the concerned Sub-Fund of the Company. In such case, the independent auditor of the Company shall establish a report to value the contribution in kind, the expenses of which shall be borne either by the subscriber who has chosen this method of payment or by the Investment Manager, if so agreed.

The value so determined, together with the Net Asset Value calculated for the shares concerned in the relevant Sub-Fund, will determine the number of shares to be issued to the incoming shareholder.

The Board of Directors reserves the right to accept or refuse any subscriptions in whole or in part and may decide to waive at its discretion any minimum subscription amount.

ANTI-MONEY LAUNDERING AND FIGHT AGAINST TERRORISM FINANCING PROCEDURES

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended), the Grand Ducal Regulation of February 01, 2010, CSSF 12-02 of December 14, 2012, and the CSSF Circular 13/556 on the fight against money laundering and terrorist financing as well as any amendments or successor provisions, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar and transfer agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the undertaking for collective investment nor the registrar and transfer agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

The absence of documents required for identification purposes may lead to the suspension of a request for subscription and/or redemption.

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REDEMPTION OF SHARES

Shareholders are entitled at any time to redeem all or part of their shares at a price based on the respective Net Asset Value, by addressing an irrevocable application for redemption to the Management Company, or other authorized intermediaries.

For any request for redemption received by the Management Company by 4.00 p.m. CET on the business day prior to a Valuation Date, the Net Asset Value calculated on that Valuation Date shall be applicable. At the time of placement of the order by the investor, the Net Asset Value per share will thus be unknown ("forward pricing"). At the level of the sales agencies or intermediaries, whether in Luxembourg or abroad, earlier cut-off times for receipt of orders may be applied to ensure timely forwarding of the orders to the Management Company of the Company. These earlier cut-off times can be obtained from the respective sales agencies or intermediaries.

For any request for redemption received by the Management Company after 4.00 p.m. CET on the business day prior to a Valuation Date, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Date.

There will be no repurchase commission. However, a transaction fee of EUR 10.- may be charged to the shareholder by the Management Company on each redemption transaction and normal cash transfer charges apply.

If, because of applications for redemption, it is necessary on a given Valuation Date to repurchase more than 10% of the shares issued, the Board of Directors may decide that redemptions have to be postponed to the next Valuation Date. On that Valuation Date, applications for redemption which had been postponed (and not withdrawn) shall be given priority over applications for redemption received in relation to that Valuation Date (and which had not been postponed).

Redemption proceeds will be paid by bank transfer in the Sub-Fund's Base Currency or in any other freely convertible currency at the choice, risk and expenses of the shareholder. Proceeds will be dispatched within three (3) business days after the relevant Valuation Date and after receipt of the proper documentation. Payment will be made to the shareholder's bank account details as provided at the time of original subscription. Any changes to bank account details must be submitted in writing to the Management Company in original form in order to avoid any delay in the release of redemption proceeds.

Investors should note that any repurchase of shares by the Company will take place at a price that may be more or less than the shareholder's original acquisition cost, depending upon the value of the assets of the Sub-Fund at the time of redemption.

The redemption of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

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CONVERSION AND SWITCHING BETWEEN SUB-FUNDS

Shares of any Sub-Fund and any class or sub-class may be converted into shares of any class or sub-class of any other Sub-Fund upon written instructions addressed to the registered office of the Management Company or to any duly appointed Distributor provided that all conditions specified from time to time for a particular class of shares are met.

The relevant Net Asset Value shall be the Net Asset Value determined on the Valuation Date following the day of receipt of the conversion request provided such request is received before 4.00 p.m. CET. At the time of placement of the order by the investor, the Net Asset Value per share of the relevant Sub-Fund will thus be unknown ("forward pricing"). At the level of the sales agencies or intermediaries, if any, whether in Luxembourg or abroad, earlier cut-off times for receipt of orders may be applied to ensure timely forwarding of the orders to the Management Company. These earlier cut-off times can be obtained from the respective sales agencies or intermediaries, if any.

If such request is received on a Valuation Date after 4.00 p.m. CET, the Net Asset Value to be taken into account shall be the Net Asset Value determined on the next Valuation Date. Conversion of shares into shares of any other Sub-Fund will only be made if the Net Asset Value of both Sub-Funds is calculated on the same day. No conversion commission will be charged. However, to cover the extra costs for liquidation of assets to fulfill the conversion request, administrative fees of maximum 1% of the Net Asset Value of shares to be converted may be charged by the Sub-Fund from which the shares are converted. The same percentage of administrative fees shall apply to all shareholders on any same Valuation Date.

The rate to which all or part of the shares of a given Sub-Fund (the "**initial Sub-Fund**") is converted into shares of another Sub-Fund (the "**new Sub-Fund**") is determined according to the following formula:

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

A = being the number of Shares of the new Sub-Fund

B = being the number of Shares of the initial Sub-Fund

C = being the Net Asset Value per Share of the initial Sub-Fund used on the day in question

D= being the administrative fee

E = being the Net Asset Value per share of the new Sub-Fund used on the day in question

F = being the exchange rate on the day in question between the currency of the initial Sub-Fund and the currency of the new Sub-Fund.

SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS OF SHARES ARE EXECUTED AT AN UNKNOWN NET ASSET VALUE. THE COMPANY DOES NOT AUTHORIZE ANY PRACTICES ASSOCIATED WITH LATE TRADING OR MARKET TIMING AND THE COMPANY RESERVES THE RIGHT TO REJECT

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SUBSCRIPTION AND/OR CONVERSION ORDERS COMING FROM AN INVESTOR WHOM THE COMPANY SUSPECTS TO BE ENGAGING IN SUCH PRACTICES AND TO TAKE, IF NEED BE, NECESSARY MEASURES FOR PROTECTING THE COMPANY'S OTHER SHAREHOLDERS.

RESTRICTION ON OWNERSHIP OF SHARES

The Company may restrict or prevent the ownership of Shares in the Company by any person, firm or corporate body, if in the opinion of the Company such holding may be detrimental to the Company, if it may result in a breach of any law or regulation, whether Luxembourg or foreign, or if as a result thereof the Company may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred (such persons, firms or corporate bodies to be determined by the Board of Directors being herein referred to as "**Prohibited Persons**"). In particular, the Board of Directors has resolved to prevent the ownership of shares by any person residing in a non-FATF country.

The Management Company reserves the right to reject any application or to accept the application in part only. Furthermore, the Board of Directors reserves the right at any time, without notice, to discontinue the issue and sale of shares in any Sub-Fund.

If it shall come to the attention of the Company at any time that shares are beneficially owned by a Prohibited Person, either alone or in conjunction with any other person, the Company may in its discretion compulsorily redeem such shares at their Net Asset Value as described herein. Not less than 10 days after the Company gives notice of such compulsory redemption, the shares will be redeemed and such investors will cease to be the owners of such shares. The Company may require, through its Management Company, any shareholder or prospective shareholder to furnish it with any information which it may consider necessary for the purpose of determining whether or not the beneficial owner of such shares is or will be a Prohibited Person.

TAXATION

The Company is subject to Luxembourg tax legislation.

The Company

In accordance with current Luxembourg law, the Company is not subject to any tax on income, capital gains tax or wealth tax. Dividends (if any) distributed by the Company are not subject to Luxembourg withholding tax.

However, income collected by the Company on securities in its portfolios may be subject to withholding tax which, in normal circumstances, cannot be reclaimed.

The Company's net assets are subject to a subscription tax of 0.05% per annum payable at the end of each quarter and calculated on the basis of the Company's total net assets at the end of the relevant quarter. Such tax rate is reduced to 0.01% in respect of the net assets attributable

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to such Classes of Shares or Compartments which are reserved for institutional investors as defined from time to time by the Luxembourg Supervisory Authority.

Shareholders

According to legislation and current practice in Luxembourg, Shareholders, other than those domiciled, residing or permanently established in Luxembourg, are not liable to pay any Luxembourg tax on income, capital gains, donations or legacies. **However, it is incumbent upon any purchasers of Shares in the Company to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.**

EU tax considerations

The Council of the European Union (the "EU") has adopted on 3 June 2003 a Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"). Under the Savings Directive, EU Member States (the "**Member States**") are required to provide the tax authorities of another Member State with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain residual entities (within the meaning of the Savings Directive) established, in that other Member State.

Under the Luxembourg law dated 21 June 2005 (the "**2005 Law**"), implementing the Savings Directive, as amended by the Law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU ("**Territories**"), a Luxembourg-based paying agent is required as from 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the Territories, and certain personal details on the beneficial owner. Such details will be provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

Under current legislation, distributions by a Sub-Fund will fall within the scope of the Savings Directive if the corresponding Sub-Fund invests 15 % or more of its assets in debt claims (within the meaning of the Savings Directive).

Payment of proceeds upon the sale, refund or redemption of Shares in the Sub-Fund will fall within the scope of the 2005 Law if the corresponding Sub-Fund invests directly or indirectly 25 % or more of its assets in debt claims within the meaning of the 2005 Law.

However, on 24 March 2014 the Council of the European Union adopted Council Directive 2014/48/EU amending the Savings Directive (the "**Amending Directive**"). Member States have to adopt and publish by 1 January 2016, the laws, regulations and administrative provisions necessary to comply with the Amending Directive. The Amending Directive enlarges inter alia the scope of the Savings Directive by extending the definition of interest payments and will cover income distributed by or income realised upon the sale, refund or redemption of shares or units in undertakings for collective investment or other collective investment funds or schemes, that either are registered as such in accordance with the law of any of the Member States or of the countries of the European Economic Area which do not

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belong to the EU, or have fund rules or instruments of incorporation governed by the law relating to collective investment funds or schemes of one of these States or countries, irrespective of the legal form of such undertakings, funds or schemes and irrespective of any restriction to a limited group of investors, in case such undertakings, funds or schemes invest, directly or indirectly, a certain percentage of their assets in debt claims as defined under the amended Savings Directive.

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

US Foreign Account Tax Compliance Act ("FATCA")

FATCA provisions and related intergovernmental agreements ("IGAs"), including the IGA entered into between the U.S. and Luxembourg on March 28th, 2014, generally require certain Financial Institutions ("FIs") to report information concerning U.S. persons' direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities. Such reporting is either made directly to the U.S. Internal Revenue Service or, in the case of an applicable IGA, directly to the IGA partner jurisdiction. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

The basic terms of the U.S.-Luxembourg IGA currently appear to include the Fund as an FI, such that in order to comply, the Fund may require all shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned IGA.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Fund shall have the right to:

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Fund;
- Require any shareholder or beneficial owner of the shares to promptly furnish such personal data as may be required by the Fund in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;
- Divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income;
- Withhold the payment of any dividend or redemption proceeds to a shareholder until the Fund holds sufficient information to enable it to determine the correct amount to be withheld.

Subscribers are informed that they are required to provide the Management Company with such information as is specified in the subscription form of the Company to enable the Company or the designated service provider of the Company to assess the status of subscribers under FATCA, in order for any subscription or subsequent subscription application to be accepted for any Sub-Fund. The Company or the designated service provider

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of the Company may require subscribers to provide any additional document it deems necessary to effect such assessment.

In case of delay or failure by a subscriber to provide the documents required, the application for subscription may not be accepted. Neither the Company nor the Management Company has any liability for delays or failure to process deals as a result of the subscriber providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated documents from time to time pursuant to ongoing client due diligence requirements under FATCA.

General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Board of Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

MANAGEMENT COMPANY

Appointment

The Board of Directors of the Company is responsible for the management and control of the Sub-Funds, including the determination of investment policy and has appointed VPB FINANCE S.A. as the Company's management company pursuant to a Management Company Services Agreement dated April 1, 2007, amended as of January 1, 2012.

VPB FINANCE S.A. is a public limited company ("**société anonyme**"). It was incorporated in Luxembourg under the denomination "De Maertelaere Luxembourg S.A." on January 28, 1993. Its articles have last been amended August 01, 2014.

It exists for an unlimited period of time. Its registered office is at 26 avenue de la Liberté, L-1930 Luxembourg in the Grand Duchy of Luxembourg. Its share capital amounted to CHF 5,000,000.- as at December 31, 2013.

VPB FINANCE S.A. has been set up with the main object of creating and administering UCITS as well as other types of Luxembourg and foreign investment funds. It may manage the portfolio of such investment funds and perform all the functions enumerated in Annex II of the Law.

In addition, it may distribute in Luxembourg and/or third countries the parts and shares of investment funds. It can also manage portfolios on a discretionary basis provided these consist of the instruments set out in section B of Annex II of the Law dated April 5, 1993 on the financial sector. It can provide auxiliary services consisting of the keeping and

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administration of units of investment funds and the giving of investment advice. Finally, it may delegate all or part only of its activities in accordance with the Law.

The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request from the Management Company.

VPB FINANCE S.A. has been appointed to act as Central Administration Agent, Corporate and Domiciliary Agent, Registrar and Transfer Agent of the Company and is also in charge of the distribution of the Company's shares.

Central administration, corporate and domiciliary services

The Management Company has undertaken to provide the Company with certain administration services, including general administration and co-ordination services (e.g. initiation, management and follow-up, co-ordination and management of all relationships between the Management Company and third parties and control and evaluation of services provided by third parties) as well as the bookkeeping and maintenance of all accounts of the Company, the periodic determination of the Net Asset Value per Share, the preparation and filing of the Company's financial reports and the liaison with the auditor.

In addition, the Management Company will, under the terms of the Management Company Services Agreement, act as corporate and domiciliary agent for the Company.

Registrar and transfer agent

The Management Company has undertaken to provide the Company with registrar and transfer agent services. As such, the Management Company will be responsible for handling the processing of subscriptions for Shares, dealing with requests for redemption and conversions and accepting transfers of funds, delivery of Share certificates, if requested, for the safekeeping of the register of Shareholders of the Company and the safekeeping of all non-issued share certificates of the Company, accepting certificates rendered for replacement, redemption or conversion and providing and supervising the mailing of statements, reports, notices and other documents to the Shareholders.

Delegated Functions

Subject to the conditions set forth by the Law and the Management Company Services Agreement, the Management Company is authorized, in order to conduct its business efficiently, to delegate, under its responsibility and control, and with the consent of the Company and the Luxembourg supervisory authority (the "**Commission de Surveillance du Secteur Financier**"), part or all of its functions and duties to any third party.

The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company has delegated the marketing services to CAPRICORN VENTURE PARTNERS NV and may also delegate the distribution to distributors in the jurisdictions where the Company is authorised for sale. Currently, the distribution of shares has been delegated to CACEIS BELGIUM S.A. in Belgium.

Should other functions be delegated by the Management Company to third service providers, the prospectus shall be updated accordingly.

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The Management Company is entitled to receive, out of the assets of the Company, an all-in fee up to 0.38% p.a. of the respective Sub-Fund's average Net Asset Value during the relevant month subject to a minimum fee of EUR 37,000.- p.a. per Sub-Fund outlined in the Management Company Services Agreement. The all-in fee is calculated on the daily average Net Asset Value of each month and is debited at the end of each month for the past month. The all-in fee includes the fees for the central administration and domiciliary and corporate services as well as for the registrar and transfer agency services, the investment management, custody and paying agency services. Brokerage costs are charged separately.

INVESTMENT MANAGER

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers expressly assigned by law to the general meetings of shareholders.

The Board of Directors is responsible for the investment objectives and policies of each Sub-Fund and the Management Company is responsible for the monitoring of the investment management and for the administration of the Company.

The Board of Directors of the Company and the Management Company have appointed CAPRICORN VENTURE PARTNERS NV as Investment Manager with the duty to provide day to day portfolio management services in relation to the Sub-Fund's portfolio.

As Investment Manager, CAPRICORN VENTURE PARTNERS NV will, in accordance with Luxembourg laws and regulations, manage the assets of each Sub-Fund with discretionary power and in accordance with the relevant Sub-Fund's investment policy, objective and restrictions. It may delegate such services and functions to investment managers at its cost and under its control and responsibility and such delegation is further described in this prospectus.

An Investment Management Agreement will be entered into on April 1, 2013, for an undetermined period of time with CAPRICORN VENTURE PARTNERS NV. This Agreement may be terminated by either party upon three months' prior notice.

CAPRICORN VENTURE PARTNERS NV was incorporated in 1993 under the laws of Belgium.

CAPRICORN VENTURE PARTNERS NV is an independent European manager of venture capital and equity funds, investing in innovative European companies with technology as competitive advantage. It is based in Leuven, Belgium and licensed by the FSMA (the Financial Services and Markets Authority in Belgium).

The Investment Manager may delegate at its own expenses any of its responsibilities to any other party subject to approval by the Board of Directors, but the Investment Manager shall remain responsible for the proper performance by such party of those responsibilities. Should the Investment Manager delegate whole or part of its functions to a third party, the prospectus shall be updated.

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In consideration for its services, the Investment Manager is entitled to receive from the Company, when appropriate, a performance fee payable quarterly in arrears. The performance fee is accrued daily in the calculation of the Net Asset Value per share, according to the performance fee structure set forth below.

For the class A shares of the Sub-fund QUEST MANAGEMENT – QUEST CLEANTECH FUND, the Company pays the Investment Manager a quarterly Performance Fee consisting of:

- 20% of the net realized and unrealized appreciation, if any, in the Net Asset Value of the Sub-fund's shares which is in excess of the benchmark short interest rate since beginning of current quarter, applied to the fully existing shares since the beginning of the quarter;
- 20% of the net realized and unrealized appreciation, if any, in the Net Asset Value of the Sub-fund's newly subscribed shares during the quarter which is in excess of the benchmark short interest rate since related subscription dates;
- The realized performance fee related to redemptions accrued before a quarter end will remain in the Sub-fund.

The short interest rate is defined as EUR 3 months LIBOR.

For the class A shares of the Sub-fund QUEST MANAGEMENT – QUEST CLEANTECH FUND, the Company does not pay the Investment Manager a quarterly fee unless the Company's return is higher than the benchmark interest rate for that particular quarter. A quarterly performance fee is only calculated when the performance of the Net Asset Value per share calculated on the basis of a rolling year is positive. Furthermore, the quarterly performance fee calculated per share may not exceed the performance of the Net Asset Value per share calculated on the basis of a rolling year.

The performance fee is charged to the Company on a quarterly basis and paid out of the assets of the Company. The transfer will be executed by the Management Company.

In the case of the class A shares of QUEST MANAGEMENT – QUEST CLEANTECH FUND, the Investment Manager may choose to waive all of its fee or any portion thereof at its absolute discretion for an indefinite period, in order to reduce the impact such fee may have on the performance of the Sub-fund in instances where the Sub-fund's net assets are of insufficient size.

Further, in the case of the class A shares of QUEST MANAGEMENT – QUEST CLEANTECH FUND, the Company does not pay the Investment Manager any fixed fee. All out of pocket and legal expenses incurred by the Investment Manager, on behalf of the Company shall be borne by the Company.

In the case of all other share classes of the Sub-fund QUEST MANAGEMENT – QUEST CLEANTECH FUND, there shall be no performance fee but the Investment Manager is entitled to fees at the rates set out on page 10 of this Prospectus. The fees are calculated on

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the average Net Asset Value attributable to the relevant share class and payable monthly in arrears.

CUSTODIAN BANK

VP BANK (LUXEMBOURG) SA has been appointed to act as the custodian of the Company's assets (the "**Custodian**") by the Company pursuant to a Custodian Bank and Paying Agent agreement (the "**Agreement**") made on April 1, 2007, amended as of January 1, 2012. This Agreement may be amended by mutual consent of the parties. The Custodian has been appointed for an undetermined duration unless terminated by each party with a three months' prior written notice.

Transferable securities, cash and other assets constituting the assets of the Company shall be held by the Custodian on behalf of and for the exclusive interest of the shareholders.

The Custodian may, with the agreement of the Company, entrust the safekeeping of securities to other banks, to financial institutions or to securities clearing houses such as CLEARSTREAM BANKING S.A. and EUROCLEAR. This will, however, not affect the Custodian's liability.

The Custodian may dispose of the Company's assets and make payments to third parties on behalf of the Company pursuant to instructions from the Company.

The Custodian performs all operations concerning the daily administration of each Sub-Fund's assets.

The Custodian is entrusted moreover by the Company with the duty to settle the securities purchased, to deliver the securities sold, to receive dividends and interest from securities and to exercise subscription and attribution rights attached to these;

The Custodian must moreover ensure that:

- the sale, issue, redemption, conversion and cancellation of shares are carried out in accordance with the Law and the Articles of Incorporation of the Company;
- in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits;
- the income of the Company is applied in accordance with its Articles of Incorporation.

VP BANK (LUXEMBOURG) SA was incorporated under the laws of the Grand Duchy of Luxembourg on November 16, 1988. It paid up share capital as at December 31, 2013 amounted to CHF 20,000,000.-. VP BANK (LUXEMBOURG) SA is wholly owned by VERWALTUNGS- UND PRIVAT-BANK AKTIENGESELLSCHAFT, VADUZ, LIECHTENSTEIN.

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MARKETING AGENT

The Management Company has appointed CAPRICORN VENTURE PARTNERS NV to market and promote the Company's Shares in each Sub-Fund and to initiate and coordinate the developing of, and the follow-up of marketing tools and activities pursuant to an agreement between the Management Company, the Company and CAPRICORN VENTURE PARTNERS NV (the "**Marketing Agreement**"), concluded for an unlimited period of time from the date of its signature.

DISTRIBUTORS

The Management Company may appoint distributors (individually referred to a "**Distributor**" or collectively to the "**Distributors**"), to distribute the Company's Shares in each Sub Fund. The appointment of each Distributor will be made pursuant to an agreement between the Management Company, the Company and the Distributor (the "**Distribution Agreement**"), concluded for an unlimited period of time from the date of its signature.

EXPENSES

The Company shall bear the following expenses:

- all fees to be paid to the Management Company, Distributor (s), Custodian Bank and its correspondents, any Paying Agent and permanent representatives in places of registration, as well as any other agent employed by the Company;
- the remuneration of the Directors, if any, and their reasonable out-of-pocket expenses, insurance coverage, and reasonable traveling costs in connection with board meetings;
- fees and expenses for legal and auditing services;
- all out of pocket and legal expenses incurred by the Investment Manager on behalf of the Company;
- all taxes which may be payable on the assets, income and expenses chargeable to the Company as well as any other duties, governmental and similar charges;
- standard brokerage and bank charges incurred by the Company's business transactions;
- all expenses involved in registering and maintaining the Company registered with all governmental agencies and stock exchanges, whether in Luxembourg or abroad;

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- all expenses connected with reporting, publications and supply of information to shareholders, in particular, the costs of printing and distributing the annual and semi-annual reports, the prospectus, and the KIID(s) as well as marketing expenses and translation and printing expenses in different languages upon specific agreement with the Distributor.

All recurring expenditure is paid when incurred or invoiced from the net assets of the relevant Sub-Fund.

Any costs, which are not attributable to a specific Sub-Fund, incurred by the Company will be charged to all Sub-Funds in proportion to their net assets. Each Sub-Fund will be charged with all costs or expenses directly attributable to it.

Each Sub-Fund shall be liable only for its own debts and obligations.

For the purpose of the relations between the shareholders, each Sub-Fund will be deemed to be a separate entity with, but not limited to, its own contribution, capital gains, losses, charges and expenses.

Each new Sub-Fund shall amortise their own expenses of establishment over a period not exceeding five years.

NOTICES

Notices to shareholders are available at the Company's registered office and at the office of the Management Company as well as at the office of any duly appointed Distributor. They are also published in the Mémorial, if required by law, in a Luxembourg newspaper and in one newspaper of general circulation as the Board of Directors may decide from time to time.

The Net Asset Value of each Sub-Fund and the issue, conversion and redemption prices thereof will be available at all times at the Company's registered office and at the office of the Management Company as well as at the office of any duly appointed Distributor or in any newspaper or publication as the Board of Directors may decide from time to time.

Audited annual reports containing, inter alia, the Company's and each of its Sub-Funds' statement of condition, the number of outstanding shares and the number of shares issued and redeemed since the date of the preceding report, as well as semi-annual unaudited reports, will be made available at the registered office of the Company not later than four months after the end of the financial year in the case of annual reports and, two months after the end of the relevant period in the case of semi-annual reports.

In the financial report, separate financial statements shall be issued for each Sub-Fund in its relevant base currency. To establish the balance sheet of the Company, these financial statements will be added after conversion into EUR.

All reports will be available at the Company's registered office as well as at the office of the Management Company and of any duly appointed Distributor.

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LIQUIDATION AND MERGER

In the event of the dissolution of the Company by decision of a shareholders' meeting, the liquidation shall be effected by one or several liquidators appointed by the meeting of the shareholders deciding upon such dissolution and determining their powers and their compensation. The liquidator(s) shall realise the Company's assets in the best interest of the Shareholders and shall distribute the net liquidation proceeds (after deduction of the liquidation charges and expenses) to the Shareholders in proportion to their respective holding in the Company. Any amounts not claimed promptly by any shareholder will be deposited at the close of liquidation in escrow with the *Caisse de Consignation*. Amounts not claimed from escrow within the period stipulated according to statutory limitation rules will be forfeited according to the provisions of Luxembourg law.

In the event of any contemplated liquidation of the Company, no further issue, conversion, or redemption of shares will be permitted after publication of the first notice convening the extraordinary meeting of shareholders for the purpose of winding-up the Company. All shares outstanding at the time of such publication will participate in the Company's liquidation distribution.

A Sub-Fund may be terminated by resolution of the Board of Directors of the Company if the Net Asset Value of a Sub-Fund is below EUR 2,500,000.- or its equivalent in any other currency or in the event of special circumstances beyond its control, such as political, economic and military emergencies, or if the Board should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-Fund to operate in an economically efficient manner, and with due regard to the best interests of shareholders, that a Sub-Fund should be terminated. In such events, the assets of the Sub-Fund will be realised, the liabilities discharged and the net proceeds of realization distributed to shareholders in the proportion to their holding of shares in that Sub-Fund. In such event, notice of the termination of the Sub-Fund will be given in writing to registered shareholders and will be published, if necessary, in the *Mémorial* and a daily newspaper in Luxembourg and in other newspapers circulating in jurisdictions in which the Company is registered as the Board of Directors may determine. No shares shall be redeemed or converted after the date of the decision to liquidate a Sub-Fund.

Any amounts not claimed by any shareholder shall be deposited at the close of liquidation in escrow with the *Caisse de Consignation*.

A Sub-Fund may be merged with another Sub-Fund of the Company or with a Sub-Fund of another UCITS by resolution of the Board of Directors of the Company if the value of its net assets is below EUR 2,500,000.- or its equivalent in any other currency or in the event of special circumstances beyond its control, such as political economic and military emergencies or if the Board should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-Fund to operate in an economically efficient manner, and with due regard to the best interests of shareholders, that a Sub-Fund should be merged.

Such merger, as defined in Article 1 (20) of the Law, will be realized in accordance with Chapter 8 of the Law. The Board of Directors will decide on the effective date of any merger of the Company with another UCITS pursuant to Article 66 (4) of the Law.

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DOCUMENTS

The following documents may be consulted at the Company's registered office and at the office of the Management Company as well as the office of any duly appointed Distributor:

- a) the Company's coordinated Statutes;
- b) the Management Company Services Agreement between the Company and VPB FINANCE S.A. dated as of April 1, 2013, as amended from time to time;
- c) the Investment Management Agreement between the Management Company, the Company and CAPRICORN VENTURE PARTNERS NV dated as of April 1, 2013, as amended from time to time;
- d) the Custodian Bank and Paying Agent Agreement between the Company and VP BANK (LUXEMBOURG) SA, dated as of January 1, 2012, as amended from time to time;
- e) the periodic financial reports;
- f) the complete prospectus and the KIID(s).

A copy of the coordinated Statutes and of the periodic financial reports may also be obtained free of any charge at the Company's registered office and at the office of the Management Company as well as at the office of any duly appointed Distributor.