

# Man Umbrella SICAV

## Prospectus

July 2013

Investment Company with variable capital  
(Société d'Investissement à Capital Variable)  
Listed on the Luxembourg Stock Exchange  
Luxembourg  
R.C.S. Nr. B 53.150

Man Convertibles Far East  
Man Convertibles Japan  
Man Convertibles Europe  
Man Convertibles Global  
Man Convertibles America  
Man AHL Trend  
Man AHL Diversity

Man GLG Multi-Strategy

GLG Flexible Bond Fund

## Important notices

The information contained in this prospectus (the 'Prospectus'), the key investor information document for the relevant Share Class, and the latest annual or semi-annual reports shall serve as the sole basis for purchasing shares in Man Umbrella SICAV (the 'Fund'). No other information or representations may be relied upon. It shall be the responsibility of all persons in possession of this Prospectus and all investors intending to purchase shares to obtain information as to the relevant laws and other regulations applying within the jurisdiction to which they are subject and for complying with such laws and regulations. Investors are also advised to obtain information regarding any legal or tax implications and any foreign exchange restrictions or control requirements applying in the countries of their nationality, permanent or ordinary residence, which may be of relevance to the subscription, purchase, ownership, exchange, conversion, redemption or transfer of shares.

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

Copies of this Prospectus, the key investor information document for the relevant Share Class, and the annual and semi-annual reports may be obtained free of charge from Citibank International plc (Luxembourg Branch), 31, Zone d'activités Bourmicht, Luxembourg.

Copies of the following documents may be obtained free of charge from the Fund's registered office at 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg or the Management Company's registered office at 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg, during normal office hours on any bank business day:

1. the Fund's Articles of Incorporation (the 'Articles of Incorporation');
2. the management company services agreement referred to in the 'Management' section;
3. the domiciliation agreement referred to in the 'Management' section;
4. the investment management agreements referred to in the 'Management' section;
5. the fund administration services agreement referred to in the 'Central administration' section;
6. the custodian services agreement referred to in the 'Custodian bank' section;
7. the reports set out in 'Information for shareholders' section; and
8. other practical information such as the procedures in relation to the handling of complaints and the strategy for the exercise of voting rights attached to the instruments held by the Fund.

July 2013

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## Administration

### Board of Directors

#### Chairman

**Mr. John Morton**

Head of Regulated Funds Team (Product Legal)  
Man Investments Ltd.  
London  
United Kingdom

#### Board members

**Mr. John Walley**

Consultant  
Dublin  
Ireland

**Mr. Yves Wagner**

Member of the Board  
MDO Services S.A.  
19, rue de Bitbourg  
L-1273 Luxembourg  
Grand Duchy of Luxembourg

### Management Company

**MDO Management Company S.A.**

19 rue de Bitbourg  
L- 1273 Luxembourg  
Grand Duchy of Luxembourg

#### Chairman

**Mr. Géry Daeninck**

Independent Management Consultant

#### Board members

**Mr. John Li**

Independent Management Consultant

**Mr. Garry Pieters**

Independent Management Consultant

**Mr. Yves Wagner**

Independent Management Consultant

**Mr. Martin Vogel**

Chief Executive Officer, MDO Services S.A.

### Conducting Officers

**Mr. Riccardo del Tufo**

Risk Manager  
MDO Services S.A.  
Luxembourg

**Ms. Maria-Cecilia Lazzari**

Risk Manager  
MDO Services S.A.  
Luxembourg

### Registered Office of the Fund

19, rue de Bitbourg  
L-1273 Luxembourg  
Grand Duchy of Luxembourg

### Central Administrative Agent

**Citibank International plc (Luxembourg Branch)**

31, Zone d'activités Bourmicht  
L-8070 Bertrange  
Grand Duchy of Luxembourg

## Investment Managers

### **Man Investments (CH) AG**

Huobstrasse 3  
CH-8808 Pfäffikon SZ  
Switzerland

### **Man Investments Ltd.**

Riverbank House  
2 Swan Lane  
London EC4R 3AD  
United Kingdom

### **GLG Partners LP**

One Curzon Street  
London W1J 5HB  
United Kingdom

## Registrar and Transfer Agent

### **Citibank International plc (Luxembourg Branch)**

31, Zone d'activités Bourmicht  
L-8070 Bertrange  
Grand Duchy of Luxembourg

## Custodian Bank

### **Citibank International plc (Luxembourg Branch)**

31, Zone d'activités Bourmicht  
L-8070 Bertrange  
Grand Duchy of Luxembourg

## Auditors

### **Ernst & Young**

Société Anonyme  
7, rue Gabriel Lippmann  
Parc d'Activité Syrdall 2  
L-5365 Munsbach  
Grand Duchy of Luxembourg

## Legal Advisers in Luxembourg

### **Arendt & Medernach**

14, rue Erasme  
L-2082 Luxembourg  
Grand Duchy of Luxembourg

## The Fund

Man Umbrella SICAV (the 'Fund') is a public limited company, which was incorporated in Luxembourg on 13 December 1995 for an unlimited duration as an investment company with variable capital (société d'investissement à capital variable or 'SICAV') under the name 'RMF Umbrella SICAV'.

The Fund is set up in accordance with Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment (the 'Law of 17 December 2010'). The Fund is an undertaking for collective investment in transferable securities ('UCITS') pursuant to EU Directive 2009/65/EC of 13 July 2009, as amended. The Fund has delegated its investment management, administration and marketing functions to a management company. As of 10 December 2009, the name of the Fund was changed from RMF Umbrella SICAV into Man Umbrella SICAV. The Fund's Board of Directors intends to offer Fund shares for sale in a number of European Union member states and in Switzerland, in addition to Luxembourg.

The Articles of Incorporation set out the legal basis on which the Fund operates. The Luxembourg Law of 10 August 1915 on Commercial Companies (the 'Law of 10 August 1915') and the Law of 17 December 2010, together with any amending enactments thereto, shall also apply. The Articles of Incorporation were first published in Mémorial C, Recueil des Sociétés et Associations (the Luxembourg Official Gazette) (the 'Mémorial C') on 17 January 1996. The Articles of Incorporation were last changed on 12 October 2011, in order to comply with the provisions of Part I of the Law of 17 December 2010 and the requirements of EU Directive 2009/65/EC of 13 July 2009. A notice of the deposition of the effective Articles of Incorporation was published in the Mémorial C on 14 December 2011.

The Fund was established as an umbrella fund and as such may comprise multiple sub-funds (organisme de placement collectif à compartiments multiples).

Fund shares (the 'Shares') are shares in the respective sub-fund. Shares must be fully paid up and have no nominal value. Each Share confers the right to one vote at the general meeting of shareholders (the 'General Meeting').

The Fund capital is equal to the aggregate net assets of the respective sub-funds.

The Fund forms a distinct legal entity. The assets of the respective sub-funds may only be used to meet the debts, liabilities and obligations attributable to the sub-fund concerned. In relation to the interests of shareholders inter se, each sub-fund shall be deemed to be a separate portfolio.

The Board of Directors may decide to open within a sub-fund separate share classes (the 'Share Class(es)') the assets of which will be invested collectively but to which different sales and redemption fees, particular cost structures, minimum subscription amounts, minimum holding amounts, currencies, qualifications of investors or distribution modalities or other distinctive features apply, as respectively decided by the Board of Directors. In case of different Share Classes within a sub-fund, the specifications of the relevant Share Class are described in detail in the relevant Appendix of the sub-fund.

As an investment company with variable capital, the Fund may issue and redeem sub-fund Shares on an on-going basis at prices to be determined on the basis of the applicable net asset value of Shares.

The Board of Directors may at any time adopt a resolution to launch additional sub-funds and/or to set up new Share Classes within an existing sub-fund, whereupon this Prospectus shall be amended accordingly.

Where Shares of individual sub-funds or Share Classes are listed on a stock exchange, the relevant sub-fund information in the relevant Appendix of this Prospectus shall include a reference to this effect.

The following sub-funds have been established to date:

**Man Sub-Funds:**

- Man Umbrella SICAV – Man Convertibles Far East
- Man Umbrella SICAV – Man Convertibles Japan
- Man Umbrella SICAV – Man Convertibles Europe
- Man Umbrella SICAV – Man Convertibles Global
- Man Umbrella SICAV – Man Convertibles America
- Man Umbrella SICAV – Man GLG Multi-Strategy

**Man AHL Sub-Funds:**

- Man Umbrella SICAV – Man AHL Trend
- Man Umbrella SICAV – Man AHL Diversity

**GLG Sub-Funds:**

- Man Umbrella SICAV – GLG Flexible Bond Fund

The Board of Directors shall determine in consultation with the relevant Investment Manager the investment policy applicable to individual sub-funds. The investment policies of the individual sub-funds are set out below in the relevant Appendix of each sub-fund.

## Management

### Board of Directors and senior management

The Board of Directors has overall responsibility for the management and administration of the Fund, its sub-funds and its corresponding Share Classes (if any), for authorizing the creation of new sub-funds and Share Classes and for establishing and monitoring their investment policies and restrictions.

### Management Company

Pursuant to a management company services agreement dated 27 June 2013, the Fund has appointed MDO Management Company S.A. to serve as its management company within the meaning of the Law of 17 December 2010 (the 'Management Company Services Agreement'). The Management Company will provide, subject to the overall control of the Board of Directors and without limitation, (i) investment management services, (ii) administrative services and (iii) marketing services to the Fund. The rights and duties of the Management Company are further set out in Articles 107 et seq. of the Law of 17 December 2010.

The Management Company acts at all times honestly and fairly in conducting its activities in the best interest of the shareholders and in compliance with the Law of 17 December 2010, the Prospectus and the Articles of Incorporation of the Fund.

The Management Company was established on 4 May 2007 for an indefinite period, with an initial capital of EUR 1,085,470. It is registered under number B 128627 in the Luxembourg commercial and companies' register, where copies of its articles of association are available for inspection and can be received upon request. The articles of association were published in the Mémorial C on 25 July 2007.

Besides managing the Fund, the Management Company currently manages additional undertakings for collective investments, the list of which can be obtained from the Management Company.

The Management Company's Conducting Officers are:

- Mr. Riccardo del Tufo who is responsible for all matters relating to the operational risk management of the funds managed by the Management Company and for the oversight of the central administration of the funds managed by the Management Company.
- Ms. Maria-Cecilia Lazzari who is responsible for all matters relating to the distribution of the funds managed by the Management Company.

The Management Company is in the process of appointing a Conducting Officer who will be responsible for all matters relating to the asset management and securities of the funds managed by the Management Company.

The Management Company is in charge of the day-to-day operations of the Fund. Within this mandate, the Management Company has authority to commit and act on behalf of the Fund and its sub-funds.

The Management Company is permitted to delegate, for the purpose of a more efficient conduct of its activities, one or more of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates and that such delegation does not prevent the Management Company from acting or the Fund from being managed in the best interests of its investors. The delegation to third parties is subject to the approval of the Fund and the CSSF. The Management Company's liability shall not be affected by the fact that it has delegated some of its functions and duties to third parties.

The Management Company has assigned the taking of investment decisions relating to the individual sub-funds of the Fund, to the Investment Managers (see 'Investment Managers' section). Under an investment management agreement dated 27 June 2013 (as amended from time to time), which has replaced any previous investment management agreements between the Fund and Man Investments (CH) AG ('MI (CH)'), it appointed with the consent of the Fund, MI (CH) to be the Investment Manager for the Man Sub-Funds. In addition it has appointed Man Investments Ltd. ('MIL') under an investment management agreement dated 27 June 2013 (as amended from time to time), with the consent of the Fund, to be the Investment Manager for the Man AHL Sub-Funds, and GLG Partners LP under an investment management agreement dated 27 June 2013 (as amended from time to time), with the consent of the Fund, to be the Investment Manager for the GLG Sub-Funds.

Pursuant to an agreement amended and restated on 27 June 2013 (the 'Domiciliation Agreement'), the Management Company has agreed that the Fund establishes its registered office at the address of the Management Company.

The Management Company in accordance with the Law of 17 December 2010 and the applicable regulations of the Commission de Surveillance du Secteur Financier ('CSSF') has sufficient and appropriate organizational structures and internal audit mechanisms. It is in particular acting in the best interest of the Fund and the sub-funds respectively and ensures that conflicts of interests are avoided and that the compliance with decisions and procedures, a fair treatment of shareholders and the compliance with the defined risk management policies is ensured. It has and maintains effective and permanent compliance, internal audit and risk management functions which each are independent.

The Management Company also has adopted defined decision procedures, a clear organisational structure, appropriate internal audit mechanisms and internal reporting between all relevant levels of the Management Company. It further ensures an appropriate and systematic recording in relation to their operational activities and internal organisation. It takes all appropriate measures in order to achieve best results for the Fund and its sub-funds by taking into account the price, the costs, the time and probability of execution and settlement, the extent and the type of order and all other aspects relevant for the execution of the order (best execution). It ensures a prompt, fair and efficient execution of the portfolio transactions made for the Fund and the sub-funds respectively. In case of sub-delegation of functions to third parties it ensures that such third parties have taken all measures in relation to the compliance with all requirements regarding the organisation and the avoidance of conflicts of interests as defined by the applicable Luxembourg laws and regulations and are monitoring the compliance with such requirements. Furthermore it ensures that in no case the Fund, the sub-funds or the shareholders respectively are charged with excessive costs.



## Investment Managers

The Management Company has currently engaged MI (CH) to manage the assets of the Man Sub-Funds, Man Investments Ltd. to manage the assets of the Man AHL Sub-Funds and GLG Partners LP to manage the GLG Sub-Funds.

### Man Investments (CH) AG

MI (CH) is the investment manager to the Fund in respect of the Man Sub-Funds. MI (CH) has been incorporated as a corporation under Swiss law which is specialised in asset management. It has received a licence as an asset manager for foreign collective investment schemes (Vermögensverwalter ausländischer kollektiver Kapitalanlagen) from the Swiss Federal Banking Commission (now Financial Market Supervisory Authority) and has been authorised by the CSSF as investment manager of the Fund on 7 July 2008.

MI (CH) was established in 1991 and has extensive experience with equities and equity derivatives. MI (CH)'s investment management and advisory services are backed up by extensive quantitative, analytical and technological resources, a highly effective risk management system, and wide-ranging expertise in portfolio structuring.

One of the MI (CH)'s subsidiaries is regulated by the Swiss Financial Market Supervisory Authority as a securities dealer under the Swiss Stock Exchange Act. To ensure effective overall supervision, MI (CH) is supervised by the Swiss Financial Market Supervisory Authority on a consolidated basis. MI (CH) is also regulated by the Swiss Financial Market Supervisory Authority as a Swiss representative of foreign collective investment schemes and financial intermediary, as defined under Swiss money laundering legislation.

Following the acquisition of the RMF Group by Man Group plc in May 2002, MI (CH) is now owned by RMF Holdings Limited, a wholly-owned indirect UK subsidiary of Man Group plc ('Man Group'). Subsequent to the acquisition, the name of the Investment Manager and representative in Switzerland was changed from RMF Investment Products to RMF Investment Management with effect from April 2003 and further changed to MI (CH) with effect from 1 July 2009. Man Group, through its investment management subsidiaries (collectively, 'Man'), is a global alternative investment management business and provides a range of fund products and investment management services for institutional and private investors globally. As of 30 June 2012 with the combined business, Man managed around USD 52.7 billion of assets under management.

Subject to the overall control of the Management Company, MI (CH)'s responsibilities include deciding on the purchase, sale, conversion, subscription and transfer of securities and other assets and deciding on the exercise of any rights attaching either directly or indirectly to the assets of specific sub-funds of the Fund. To assist it in discharging its duties, MI (CH) shall be entitled, at its own expense and at its own risk and subject to the approval of the Board of Directors, to consult or use the services of third-party individuals or legal entities and other investment advisers. No investment adviser subcontracted to provide services shall be entitled to perform routine management operations or make autonomous investment decisions.

### Man Investments Ltd.

Man Investments Ltd. is the investment manager to the Fund in respect of the Man AHL Sub-Funds. Man Investments Ltd. is authorised and regulated by the FSA in the conduct of its regulated activities in the United Kingdom. A member of the Man Group, Man Investments Ltd. provides access for private and institutional investors worldwide to alternative investment strategies through a range of innovative products and solutions designed to deliver long-term investment performance. Man Investments has a 20-year track record in this field, supported by strong product development and structuring skills as well as an extensive investor service and global distribution network.

### GLG Partners LP

GLG Partners LP Limited is the investment manager to the Fund in respect of the GLG Sub-Funds.

GLG Partners LP is a limited partnership registered under the Limited Partnership Act 1907 of England and Wales. It is authorised and regulated by the Financial Services Authority and is engaged in providing an in-depth investment advice and execution service to select institutions and high net worth individuals worldwide, specialising in discretionary asset management.

GLG Partners LP is an indirect wholly-owned subsidiary of Man Group.

GLG Partners LP is not registered as an investment adviser under the U.S. Investment Advisers Act of 1940 (the 'Advisers Act'), but may so register in the future

GLG Partners LP may also establish an advisory committee for the purpose of advising it from time to time on issues relating to the provision of investment advice or investment management services by GLG Partners LP to its clients, including the GLG Sub-Funds. Any such advisory committee will comprise individuals who are principals of, employees of or consultants to GLG Partners LP considered by it to have relevant sectoral or specialist expertise. GLG Partners LP will continue to have responsibility for the management of the GLG Sub-Funds' assets and, while it will consider advice received from the advisory committee, it will continue to have sole responsibility for determining whether such advice should be accepted or implemented by the GLG Sub-Funds.

## Custodian bank

Pursuant to an agreement dated 11 June 2012 (the 'Custodian Services Agreement'), the Fund has appointed with effect from 1 July 2012 Citibank International plc (Luxembourg Branch) to act as custodian bank to the Fund. Citibank International plc, a licensed bank authorised and regulated by the FSA, with its registered office at Citigroup Centre, Canada Square, London E14 5LB, United Kingdom, has been incorporated in England with registered number 01088249. Its Luxembourg Branch was established on 1 January 2001 and is registered with the *Registre de Commerce et des Sociétés de Luxembourg* ('RCS') (Luxembourg Commercial and Companies Register) under number B 78.602, having its registered office at 31, Zone d'activités Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg. Citibank International plc is a member of the Citigroup group of companies, having as their ultimate parent Citigroup Inc., a US publicly quoted company. Citibank International plc is licensed to carry out banking activities under the terms of the UK Financial Services and Markets Act 2000. Its Luxembourg branch is authorised to provide such services under the freedom to establish a branch within the European Union in accordance with the Luxembourg law of 5 April 1993 on the financial sector and is specialised in custody, fund administration and related services. As of 31 December 2012, Citibank International plc had share capital and reserves in excess of GBP 2,481 million.

The custodian bank performs a monitoring duty on the Fund's assets as required by the Law of 17 December 2010 and applicable regulations and provides safekeeping services in accordance with the applicable Luxembourg laws.

In addition to the safekeeping of the Fund's assets, the custodian bank ensures:

- (a) that the sale, issue, redemption and cancellation of Shares effected by or on behalf of the Fund are carried out in accordance with the law and the Articles of Incorporation of the Fund;
- (b) that in transactions involving the assets of the Fund, the consideration is remitted to it within the usual time limits; and
- (c) that the income of the Fund is applied in accordance with its Articles of Incorporation.

## Central administration

Pursuant to an agreement amended and restated on 27 June 2013 (the 'Fund Administration Services Agreement'), the Management Company in consent with the Fund has appointed Citibank International plc (Luxembourg Branch) (the 'Central Administrative Agent' or the 'Registrar and Transfer Agent' as the context may require) as central administrative agent, registrar and transfer agent, corporate agent, principal paying agent and listing agent of the Fund.

In its capacity as Central Administrative Agent, Citibank International plc (Luxembourg Branch) is responsible for the general administrative functions required by law, is in charge of certain valuation services and the calculation of the net asset value of the Shares of each sub-fund and the maintenance of accounting records. The Central Administrative Agent is not responsible and will have no liability in connection with any trading decisions of the Fund. The Central Administrative Agent will not provide any investment advisory or investment management services to the Fund.

In determining the Net Asset Value per Share, the Central Administrative Agent will follow the valuation policies and procedures adopted by the Fund. The manner in which the services of the Central Administrative Agent will be performed by the Central Administrative Agent will be determined in accordance with the Articles of Incorporation of the Fund and the Prospectus, in particular the section 'Calculation of the net asset value of Shares' below, and the liability of the Central Administrative Agent will be determined in accordance with the Fund Administration Services Agreement. For the purpose of calculating the Net Asset Value per Share, the Central Administrative Agent shall in certain circumstances, and shall be entitled to, rely on, and will not be responsible for and will have no liability in connection with the accuracy of, financial data furnished to it by various third parties which may include the Investment Managers.

In its capacity as Registrar and Transfer Agent, Citibank International plc (Luxembourg Branch) is responsible for processing the issue, redemption, conversion and transfer of shares on behalf of the Fund, as well as for maintaining the register of shareholders and processing certain anti-money laundering documents.

In its capacity as corporate agent, Citibank International plc (Luxembourg Branch) is responsible for the receipt and safekeeping of the correspondence of the Fund, the provision of facilities and the convening and holding of the meetings of shareholders.

Citibank International plc (Luxembourg Branch) was appointed as paying agent and has the obligation to pay out possible distributions and the redemption proceeds for redeemed Shares.

In its capacity as listing agent, Citibank International plc (Luxembourg Branch) is responsible for the listing of the Share Classes of the Sub-Funds of the Fund on the Luxembourg Stock Exchange.

The agreement between the Central Administrative Agent, the Management Company and the Fund is concluded for an indefinite period and may be terminated by either party upon 90 days' written notice.

## Shares

Shares are issued as registered shares. There shall be no physical delivery of Shares.

In this prospectus 'Shares' mean Shares of a specific sub-fund. As stipulated by the Law, each sub-fund shall maintain segregated assets. In relation to the interests of shareholders inter se, each sub-fund shall be deemed to be a separate portfolio. The assets of individual sub-funds may only be used to meet the debts, liabilities and obligations attributable to the sub-fund concerned.

Shares must be fully paid up; they have no nominal value and do not confer any preferential rights or rights of pre-emption.

Each Share confers the right to one vote at each General Meeting, as provided for by law and the Articles of Incorporation.

The net asset value of Shares shall be determined on any bank business day on which sub-fund assets are valued as further defined in the relevant Appendix of each sub-fund in accordance with the rules applying to the sub-fund concerned (the 'Valuation Day') by dividing the sub-fund assets, calculated in accordance with the principles specified under 'Calculation of the net asset value of Shares', less any liabilities attributable to the sub-fund assets (the 'Net Sub-Fund Assets'), by the number of sub-fund Shares which are in circulation on the applicable Valuation Day.

As specified in the Fund's Articles of Incorporation, fractional Shares may be issued. Although fractional Shares do not confer any voting rights, they do confer the right to a pro-rata share in any income accruing to the applicable Share Class and liquidation proceeds attributable to the relevant sub-fund. However, no fractional Shares are being used, unless otherwise specified in the Appendix of the relevant sub-fund.

The Articles give powers to the Board of Directors of the Fund to impose such restrictions as they may deem necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered (such persons being referred to as the Prohibited Persons'). In particular, the Board of Directors has decided that US Persons (as defined below) would be considered as Prohibited Persons.

'United States Person' or 'US Person' means a US person, as the term is defined in Regulation S under the Securities Act of 1933 (as may be amended from time to time) and 'United States Persons' or 'US Persons' shall be construed accordingly.

For the purposes of further clarity, the term 'US Person' shall not include any person whose application has been approved by the Board of Directors in its sole discretion.

By signing a subscription or redemption application form, an applicant will certify, represent, warrant and agree that he/she/it is not a US Person or that the Shares applied for are not being acquired directly or indirectly by or on behalf of, or for the account of a US Person. An applicant will further certify, represent, warrant and agree that the applicant will notify the Registrar and Transfer Agent or the Fund (as the case may be) in the event that either the applicant becomes a US Person or holds the Shares on behalf of, or for the account or benefit of, a US person. A false statement or misrepresentation of tax status by a US Person could lead to penalties under US law. If an applicant's tax status changes and it becomes a US Person, it must notify the relevant party as mentioned above within 30 days.

The Fund may compulsorily redeem all Shares held by any such Prohibited Persons.

## Issue of Shares

The Fund shall issue Shares upon acceptance of submitted subscription applications in writing addressed to the Registrar and Transfer Agent. The subscription application shall include the following information: the identity and address of the applicant submitting the subscription application, the number of Shares or the amount to be subscribed, the sub-fund in which to invest and bank account details of the applicant. Initial subscription applications and any subsequent subscription applications shall be settled at the net asset value per Share plus any applicable sales commission (the 'issue price') applying on the applicable Valuation Day on which the subscription shall be effected, which, unless otherwise provided for in the relevant Appendix of a particular sub-fund, shall be calculated and published on the next bank business day (the 'Dealing Day'), provided they are received by the Registrar and Transfer Agent no later than 12:00 p.m. (Luxembourg time) (the 'Cut-off Time') on such Valuation Day. Any subscription applications received by the Registrar and Transfer Agent after the Cut-off Time shall be settled at the issue price applying on the next following applicable Valuation Day, which, unless otherwise provided for in the relevant Appendix of a particular sub-fund, shall be calculated and published on the next bank business day. Details about the issue price are set out in the relevant Appendix of each sub-fund. **Subscription applications will (save as determined by the Board of Directors) be irrevocable.**

### Direct subscriptions of Shares

Direct subscriptions of Shares must be made to the Registrar and Transfer Agent of the Fund by the transmission of a filled-out subscription application form (which is available at the registered office of the Registrar and Transfer Agent) by way of fax, letter or electronic file transfer.

In the case of direct subscriptions, private individuals orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted. In this case also private individual applicants must provide cleared funds to be received by the Custodian no later than on the Valuation Day prior to the Cut-off Time on which their subscription is targeted to be effected. This is subject to any deviating provisions in the relevant Appendix of each sub-fund.

The Registrar and Transfer Agent shall require such information and identification documents as it deems necessary in order to identify the applicant and, as the case may be, its beneficial owners, as well as the source of the funds, and thus comply with applicable Luxembourg anti-money laundering laws and regulations. In the case of doubt as to the applicant's identity or in the absence of sufficient information to enable the Registrar and Transfer Agent to ascertain such identity, the latter may request further information and/or documents to enable it to ascertain with certainty such identity. If the investor refuses or fails to provide the requested information and/or documents, the Registrar and Transfer Agent may refuse to enter, or delay the entry of, the applicant's details on the Fund's shareholders' register and may eventually seek the compulsory redemption of such Shares and return the proceeds, net of bank charges, only upon receipt of the requested information and/or documents. Any such information provided to the Registrar and Transfer Agent is collected for anti-money laundering compliance purposes only.

In addition, the Registrar and Transfer Agent is under an obligation to identify the origin of the monies received from a financial institution unless such financial institution is subject to an obligatory identification procedure equivalent to that required under Luxembourg law. Any subscriptions may be temporarily suspended until the Registrar and Transfer Agent has properly identified the source of the monies.

### **Subscriptions via distribution agents**

Subscriptions of Shares can also be made indirectly, that is through distribution agents. In such case, the Fund may be permitted to reduce the above mentioned customer identification requirements in accordance with applicable Luxembourg anti-money laundering laws and regulations.

Distribution agents and local paying agents may provide a nominee service for investors purchasing Shares through them. The aforementioned may charge a fee to investors for providing such services. Such investors may, at their discretion, elect to make use of such service pursuant to which the nominee will hold Shares in its name for and on behalf of the investors who shall nevertheless be entitled, at any time, to claim direct title to the Shares and who, in order to empower the nominee to vote at any General Meeting of shareholders, shall provide the nominee with specific or general voting instructions to that effect. Notwithstanding the above, the investors retain the ability to invest directly in the Fund, without using such nominee services.

### *Minimum Subscription and Holding Amounts*

The minimum subscription amount and minimum holding requirement for each sub-fund or Class of Shares of each sub-fund, if any, is specified in the Appendix of the relevant sub-fund.

### *Minimum Additional Subscription Amount*

Where a Shareholder wishes to add to his/her shareholding in a given Share Class or sub-fund, the additional Subscription must be at least the amount set out in the Appendix of the relevant sub-fund, if any. The Board of Directors is not required to accept additional subscriptions falling below the specified amount.

### *General provisions for subscription applications*

The Board of Directors has the discretion, from time to time, to waive any applicable minimum amounts.

The Board of Directors reserves the right to reject any subscription application in whole or in part or suspend the issue of Shares at any time without prior notice. Any payments received in respect of subscription applications that are subsequently rejected shall be reimbursed forthwith by the custodian bank to their origin.

Please note that a routing of payment transactions through other platforms than a registered account at the Registrar and Transfer Agent, such as the Clearstream's Vestima platform or Euroclear's FundSettle platform, may result in additional costs for the shareholder.

### *Subscription Application Amount*

Subscription monies must be remitted by SWIFT MT103 or MT202 using the relevant bank instruction letter provided with the relevant subscription application form. Subscription monies must not be sent by personal cheque or bank draft. At the Directors' absolute discretion, payments may be accepted in forms of consideration other than cash.

## Redemption of Shares

All shareholders are entitled to apply for the redemption of any or all sub-fund Shares held by them on any applicable Valuation Day. Shareholders requesting the redemption of all or any part of their Shares shall submit a written redemption application to the Fund's Registrar and Transfer Agent. The redemption application shall include the following information: the identity and address of the shareholder submitting the redemption application, the number of Shares or the amount to be redeemed, the sub-fund in which the Shares are held and details of the payee to whom payment should be made.

Redemption applications shall be settled at the net asset value per Share (the 'redemption price') on the Valuation Day as of which the redemption is to be effected, which, unless otherwise provided for in the relevant Appendix of a particular sub-fund, shall be calculated and published on the next bank business day (the 'Dealing Day'), provided that they are received by the Registrar and Transfer Agent no later than 12:00 (Luxembourg time) (the 'Cut-off Time') on such Valuation Day. Any redemption application received after the Cut-off Time shall be settled at the redemption price applying on the next following applicable Valuation Day, which, unless otherwise provided for in the relevant Appendix of a particular sub-fund, shall be calculated and published on the next bank business day. Details about the redemption price are set out in the relevant Appendix of each sub-fund. Payments shall be made by bank transfer to an account designated by the shareholder. Any charges payable in respect of such transaction shall be chargeable to the shareholder and no liability shall accrue to the Fund in respect of any payments so made.

The redemption price shall be paid in the currency of the sub-fund concerned. The redemption price payable may be higher or lower than the price paid at the time of subscription or purchase. At the express request of the shareholder, the redemption price may be paid in a currency other than the sub-fund currency, in which event any currency conversion charges shall be payable by the shareholder.

If it is necessary to suspend the calculation of the net asset value of Shares, as specified in the Articles of Incorporation, no Shares shall be redeemed. The Articles of Incorporation provide that where a large volume of redemption applications have been received in respect of a particular sub-fund, the Fund may further resolve to redeem Shares only when sufficient assets have been sold and the proceeds thereof received, having regard to the overall interests of shareholders of the sub-fund. In the event that the calculation of the net asset value is suspended, any redemption application that has not been processed shall be dealt with as a matter of priority on the subsequent Valuation Day.

If the Board of Directors so determines, and with the express consent of the relevant shareholder, the payment of the redemption price to any shareholder may be satisfied in specie by allocating to the shareholder investments from the portfolio of assets in such Share Class or sub-fund equal in value (as calculated in the manner described in section 'Calculation of the net asset value of Shares') as of the valuation day on which the redemption price is determined to the value of the shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other shareholders of the relevant Share Class or sub-fund and the valuation used shall be confirmed by a special report of the auditor of the Fund. The costs of any such transfers shall be borne by the shareholder.



Attention is expressly invited to the fact that a routing of payment transactions through other platforms than a registered account at the Registrar and Transfer Agent, such as the Clearstream's Vestima platform or Euroclear's FundSettle platform, may result in additional costs for the shareholder.

The Board of Directors has the discretion, from time to time, to waive any applicable minimum amounts.

## Conversion of Shares

All shareholders are entitled to convert all or part of the Shares held by them within a given Share Class/sub-fund into Shares relating to any other existing sub-funds/Share Classes on any applicable Valuation Day, unless otherwise provided for in the relevant Appendix of a particular sub-fund. The net asset value of Shares for the sub-fund concerned shall apply to any Share conversions. A conversion fee of up to 5% of the net asset value of Shares in the sub-fund into which the conversion shall be made shall also be payable, plus any costs that may be incurred in connection with such share conversions. Conversions shall be made on application by the shareholder to the Fund's Registrar and Transfer Agent. The formal requirements applying to subscription and redemption applications shall apply mutatis mutandis to requests for Share conversion applications.

Prior to converting any Shares, shareholders should consult with their tax and financial advisers in relation to the legal, tax, financial or other consequences of converting such Shares.

Conversion will be subject to the restrictions on the minimum subscription and minimum holding in each Shares Class as set out in the Appendix of the respective sub-fund. If the minimum holding in a sub-fund or Share Class, as set out in the relevant Appendix of the respective sub-fund, is not maintained due to a conversion of Shares, the Fund may compulsorily redeem the remaining Shares at their current net asset value and make payment of the redemption proceeds to the respective shareholders.

The Board of Directors has the discretion, from time to time, to waive any applicable minimum amounts.

## General provisions for applications

### Fax Applications

Subscription, redemption and conversion applications may be made by fax to the Registrar and Transfer Agent providing the details (including the anti-money laundering documents requested in the relevant application form. Applicants must promptly mail the relevant original application form (and anti-money laundering documents) duly completed and signed by or on behalf of the applicant to the Registrar and Transfer Agent who has been appointed to process subscription, redemption and conversion applications. Shareholders will not be entitled to payment of any redemption proceeds (pursuant to a request for redemption) until the original application form (and anti-money laundering documents) has been received by the Registrar and Transfer Agent.

The Fund is under no obligation to pay any redemption proceeds until (i) the original application form and anti-money laundering documents have been received by the Registrar and Transfer Agent; and (ii) if the redemption application was sent by fax, the original of that redemption application has been received by the Registrar and Transfer Agent.

### Authorised E-mail Addresses

Notwithstanding anything to the contrary in this Prospectus, by providing an e-mail address on an application form (the 'Authorised E-mail Address'), an applicant will agree that the Fund, any member of the Man Group ('Man') from time to time and/or any other service provider and their affiliates (including, without limitation the Registrar and Transfer Agent) and/or the applicant's account executive (the 'Data Recipients') may contact the applicant by e-mail (which is a non-secure medium) at the Authorised E-mail Address in connection with any of the following: (a) requesting further documentation or information from the applicant relating to the investment products in which the applicant has an investment (the 'Investments'); and (b) providing the

applicant with trading advisory reports, performance reports, contract notes and ancillary or generic information relating to Investments. The applicant will be required to acknowledge that all electronic correspondence between the applicant, the Fund, Man and/or any other Data Recipient shall be governed by the relevant standard terms and conditions, a copy of which is available upon request.

## Protection against late trading and market timing practices

The Fund shall take all reasonable steps to prevent late trading and market timing practices upon the distribution of Fund Shares and shall ensure that issue prices, redemption prices, or the Share net asset value applying to any conversion is not disclosed to investors upon submission of their applications. The time periods applying to Share issues, redemptions and conversions, as set out in the 'Issue of Shares', 'Redemption of Shares' and 'Conversion of Shares' sections above, shall be strictly adhered to.

The Board of Directors reserves the right to reject applications for Share subscriptions, redemption or conversions submitted by any investor whom it suspects of engaging in late trading and market timing practices. The Board of Directors reserves the right to take any steps it deems necessary to protect other investors in the sub-fund concerned.

## Distribution policy

The Fund's Board of Directors shall be entitled to determine which Shares within a sub-fund confer the right to income payments ('Income Shares') and which Shares do not confer such right ('Accumulation Shares'). Income Shares and Accumulation Shares shall be deemed to form separate Share classes within a sub-fund which are defined more detailed in the Appendix of the relevant sub-fund.

In the case of Income Shares, distributable income may include regular net income and any price gains realised. Any unrealised price gains and other assets may also be distributed, provided that in so doing, total Fund assets do not fall below the statutory minimum threshold of EUR 1,250,000. Any entitlements to income distributions, which are not claimed within five years of the date on which they fall due, shall lapse and revert to the applicable sub-fund. Any income distributions shall also be published in the official publication media designated by the Fund. Subscribers must indicate on their subscription forms whether they would prefer income distributions to be paid out or reinvested. Where cash payments are requested, bank details must also be provided. If no instructions are given as to whether income should be paid out or reinvested, income shall automatically be reinvested.

Any equivalent distributable income on Accumulation Shares shall not be paid out but remain invested in the applicable sub-fund and credited to shareholders. Notwithstanding the above, the Board of Directors shall nevertheless have the option, in any given accounting year and if so provided for in the relevant Appendix, to propose to the Shareholders of Accumulation Shares of any Sub-Fund or Share Class at the annual General Meeting the payment of a dividend out of all or part of that Sub-Fund's or Share Class' current net investment income, if the Board of Directors thinks it appropriate to make such a proposal.

## Fees and Expenses

The management and performance fees paid for and attributable to the Sub-Funds are specified in the Appendix of the relevant Sub-Fund.

An sales commission of up to 5% of the net asset value of newly issued Shares may be charged by the relevant Sub-Fund and payable to the distributor. No redemption fees will apply, unless this is expressly provided in the relevant Appendix for each of the relevant Sub-Fund's share classes. The Board of Directors may in its discretion waive sales commissions or redemption fees.



Unless otherwise specified in the Appendix of the relevant sub-fund, the aggregate fees per sub-fund payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent in consideration of services rendered under the Custodian Services Agreement and the Fund Administration Services Agreement shall amount to a percentage per annum of the Net Sub-Fund Assets attributable to such sub-fund on average as further defined in the relevant Appendix of each sub-fund (hereinafter collectively referred to as the 'Administrative and Operating Costs').

Where the Administrative and Operating Costs are expressed as a percentage of the Net Sub-Fund Assets of the relevant sub-fund, it should be noted that such percentage may vary because such costs are a function of the assets under management by the relevant sub-fund and will decrease or increase to the extent the relevant sub-fund's assets grow or fall (as the case may be) in total value.

Further fees may be payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent in consideration of ancillary services rendered to the Fund and relating to the core services of the custodian bank, Central Administrative Agent and Registrar and Transfer Agent.

The fees payable to the Management Company in consideration for its services including corporate secretarial services for the Fund are expected not to exceed 0.015% per annum of the net asset value of the Fund, but will be at least EUR 150,000 per annum (hereinafter referred to as the 'Management Company Services Fee'). The Management Company Services Fee is calculated on the quarterly average of the net asset value of the Fund of the previous quarter, payable quarterly in arrears.

Unless otherwise stated in the Appendix of the relevant sub-fund, a performance fee will not be levied on the sub-funds.

Other fees attributable only to a certain sub-fund are described separately in the Appendix of such sub-fund.

The remuneration for members of the Board of Directors is determined by the General Meeting of shareholders. The remuneration also comprises expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question.

Other general costs chargeable to the Fund's assets may include:

- all costs associated with the purchase and sale of the Fund's assets;
- charges and expenses due to correspondent banks of the custodian bank, paying agent or other representatives in Luxembourg, or in another country in which Shares in the Fund or any sub-fund are distributed;
- expenses and costs incurred by members of the Board of Directors in the performance of their duties, or by other persons employed by or acting on behalf of the Fund;
- all taxes payable by the Fund or any sub-fund on Fund assets, income and expenses;
- legal costs incurred by the Fund or the custodian bank if acting in the interests of shareholders, auditors' fees and all types of insurance costs;
- costs incurred in preparing, producing, depositing and publishing any documents relating to the Fund that are required by law or under rules and regulations laid down by the authorities;
- registration costs in relation to the distribution of Shares in foreign countries;
- insurance costs and all administrative fees;
- a reasonable proportion of advertising costs and any expenses directly attributable to the offering and sale of Shares; and
- costs of memberships of the Fund in the interests of shareholders, such as the membership with the Luxembourg Fund Industry Association (ALFI) .

The Fund shall be entitled to charge any expenses incurred in connection with the administration and safekeeping of assets and any other regular or recurring costs exceeding an estimated amount in advance against the assets of the sub-fund concerned. Such expenses shall be calculated over a one-year period, or any other time period and charged in equal instalments over the time period selected.

Any costs incurred in connection with the launch of additional sub-funds, including but not limited to the costs of legal and tax advice, the costs of obtaining the registration with data service providers (e.g. Bloomberg) and the costs relating to the printing and distribution of the related offering and marketing material, shall be allocated to the assets of the sub-fund concerned and written off over a period of five years. The same shall apply to the costs incurred in connection with the launch of additional Share Classes.

Any costs pertaining separately to a specific sub-fund shall be chargeable to that sub-fund. Otherwise costs shall be charged to the individual sub-funds based on the proportion of the value of Net Sub-Fund Assets attributable to the sub-funds.

## Taxation

### General

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg on the date of the Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. Investors should inform themselves of and when appropriate, consult their professional advisors on the possible tax consequences of subscription for, buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence or domicile.

It is expected that shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares of the Fund. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with his/her personal circumstances. Please be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu) generally. Shareholders may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

### Taxes chargeable to the Fund

Under Luxembourg law and in line with standard administration practice, the Fund is not liable to income and net worth tax. Moreover, subject to the information set out below regarding the Savings Directive on the taxation of savings income, no withholding tax shall be payable on any distributions of income by the Fund and its Sub-Funds in Luxembourg. However, the Fund is liable in Luxembourg to pay tax on the Net Sub-Fund Assets attributable to the sub-fund concerned at an annual rate of 0.05% (taxe d'abonnement). The taxe d'abonnement is payable quarterly on the value of Net Sub-Fund Assets at the end of the relevant calendar quarter. For Shares of Share Classes being reserved for institutional investors, a reduced annual tax rate of 0.01% of the Net Sub-Fund Assets of the relevant Share Class applies. Such tax is payable quarterly and calculated on the Net Sub-Fund Assets of the relevant Share Class.

The aforementioned tax is not applicable for the portion of the Net Sub-Fund Assets invested in other Luxembourg collective investment undertakings. Neither stamp duty nor any other taxes are generally payable on Share issues against cash by the Fund in Luxembourg, except a tax, payable once only, of € 1,250 which was paid upon incorporation. Any amendments to the articles of incorporation of the Fund are as a general rule subject to a fixed registration duty of € 75.

No tax is payable in Luxembourg on realized or unrealized capital appreciation of the sub-fund Assets. Although the Sub-Funds' realized capital gains, whether short term or long term, are not expected to become taxable in another country, the shareholders must be aware and recognize that such a possibility is not totally excluded.

Withholding tax may be payable on any income earned on sub-fund assets as well as on interest earned on cash deposits in the country from which such income originates at varying rates, which normally cannot be recovered. The Fund shall not be responsible for obtaining receipts for any withholding tax paid or making any refunds of tax. Whether the Sub-Funds may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis.

## **Taxation of shareholders**

### *Luxembourg tax residency of the shareholders*

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

### **Taxation of Luxembourg resident shareholders**

A Luxembourg resident shareholder is not liable to any Luxembourg income tax on reimbursement of the share capital contributed to the Fund.

### *Luxembourg resident individual shareholders*

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

Capital gains realized upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption took place more than 6 months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the 5 years preceding the realization of the gain, more than 10% of the share capital of the Fund or (ii) the taxpayer acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period). Capital gains realised on a substantial participation more than 6 months after the acquisition thereof are subject to income tax according to the half-global rate method, (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

### *Luxembourg resident corporate shareholders*

Luxembourg resident corporate shareholders (sociétés de capitaux) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. The same inclusion applies to individual shareholders acting in the course of the management of a professional or business undertaking, who are Luxembourg residents for tax purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

### *Luxembourg resident shareholders benefiting from a special tax regime*

Luxembourg resident shareholders which benefit from a special tax regime, such as (i) UCI governed by the amended Law, (ii) specialized investment funds governed by the law of 13 February 2007 and, (iii) family wealth management companies

governed by the law of 11 May 2007, are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax.

#### *Taxation of Luxembourg non-residents shareholders*

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

Investors should consult their professional advisors on the possible tax or other consequences of buying, holding, transferring or selling the Fund's Shares under the laws of their countries of citizenship, residence or domicile.

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

Non-resident shareholders should also note that under Council Directive 2003/48/EC regarding the taxation of savings income (the 'EU Savings Directive'), interest payments made by the Fund or its Paying Agent to individuals and residual entities (i.e. entities (a) without legal personality (save for (1) a Finnish avoin yhtiö and kommandiittiyhtiö / öppet bolag and kommanditbolag and (2) a Swedish handelsbolag and kommanditbolag) and (b) whose profits are not taxed under the general arrangements for the business taxation and (c) that are not, or have not opted to be considered as, UCITS recognized in accordance with Directive 2009/65/EC) resident or established in the EU or an associated or dependent territory (i.e. Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat as well as the former Netherlands Antilles, i.e. Bonaire, Curaçao, Saba, Sint Eustatius and Sint Maarten) may be subject to a withholding tax in Luxembourg unless the beneficiary opts for an exchange of information whereby the tax authorities of the state of residence are informed of the payment thereof. The rate of such withholding tax is currently of 35% (since 1 July 2011). This withholding tax applies to (i) distributions of profits by the Fund derived from interest payments (unless the Fund's investment in debt claims does not exceed 15%) and (ii) income realised upon the sale, refund or redemption of the Shares if the Fund invests directly or indirectly more than 25% of its net assets in debt claims and to the extent such income corresponds to gains directly or indirectly derived from interest payments. The current revision draft of the EU Savings Directive extends the provisions of the EU Savings Directive to interest payments made under certain innovative financial products. Shareholders should inform themselves of, and where appropriate take advice on, the impact of the EU Savings Directive, once amended, on their investment.

Shareholders are advised to obtain information and appropriate advice on any potential tax implications, foreign exchange restrictions or control requirements set out in any statutory provisions which may apply to them by reason of their nationality, usual place of residence or residence.

#### **Net wealth tax**

A Luxembourg resident shareholder, or a non-resident shareholder who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable are subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the amended Law, (iii) a securitization company governed by the law of 22 March 2004 on securitization, (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, (v) a specialized investment fund governed by the law of 13 February 2007, or, (vi) a family wealth management company governed by the law of 11 May 2007.

## Value added tax

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

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

## Other taxes

No estate or inheritance tax is levied on the transfer of the Shares upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

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

## US Tax Compliance

The United States Hiring Incentives to Restore Employment Act (the 'HIRE Act') was signed into US law in March 2010. It includes provisions generally known as US Foreign Account Tax Compliance Requirements ('FATCA'). The intention of these is that details of US investors holding assets outside the US will be reported by financial institutions to the United States Internal Revenue Service ('IRS'), as a safeguard against US tax evasion. As a result of the HIRE Act, and to discourage non-US financial institutions from staying outside this regime, all US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30 per cent on gross sales proceeds as well as income. This regime will be effective in phases between 1 July 2013 and 1 January 2015.

The basic terms of the HIRE Act currently appear to include the Fund as a 'Financial Institution', such that in order to comply, the Fund may require all Shareholders to provide mandatory documentary evidence of their tax residence. However, the HIRE Act grants the US Treasury Secretary extensive powers to relax or waive the requirements where an institution is deemed to pose a low risk of being used for the purposes of US tax evasion. The detailed regulations that are expected to define how widely those powers will in fact be exercised have not yet been published, and accordingly the Fund cannot at this time accurately assess the extent of the requirements that FATCA may place upon it.

Based on FATCA, the Fund may thus be required to, inter alia, disclose the name, address and taxpayer identification number of certain US persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest, including amounts paid by the Fund, to the IRS.

The Fund's ability to satisfy its obligations vis-à-vis the IRS will depend on each Shareholder in the Fund providing the Fund with any information, including information concerning the direct or indirect owners of such Shareholder, that the Fund determines is necessary to satisfy such obligations. Each Shareholder agrees to provide such information upon request by the Fund. If the Fund fails to satisfy such obligations or if a Shareholder fails to provide the Fund with the necessary information, payments of US source income and proceeds from the sale of property that could give rise to US source interest or dividends will generally be subject to a 30 per cent withholding tax.

A Shareholder that fails to comply with such documentation requests may be charged with any taxes imposed on the Fund attributable to such Shareholder's non-compliance under the HIRE Act, and the Fund may, in its sole discretion, redeem such Shares.

While the Fund will make all reasonable efforts to seek documentation from Shareholders to comply with these rules and to allocate any taxes imposed or required to be deducted under these provisions to Shareholders whose non-compliance caused the imposition or deduction of the tax, it is unclear at this time whether other complying Shareholders in the Fund may be affected by the presence of such non-complying Shareholders.

In terms of the provisions of US federal income tax laws, including the Internal Revenue Code of 1986 (as amended), the Register and Transfer Agent may have reporting and withholding obligations in respect of persons defined as 'United States Persons' in section 7701 (a) (30) of the Internal Revenue Code of 1986 (as amended).

All prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA and US federal income tax laws on their investment in the Fund.

The Registrar and Transfer Agent may request further documentation or information from Shareholders in order to establish the Shareholder's status under the U.S. Internal Revenue Code.

## Winding-up, liquidation and merger of the Fund

If the total Net Fund Assets fall below two-thirds or one-quarter respectively of the mandatory minimum capital, the Board of Directors shall be obliged to submit the question of winding-up the Fund to the General Meeting of shareholders. The General Meeting decides in case of the decrease of the Net Fund Assets under two-thirds of the mandatory minimum capital by a simple majority of the Shares represented in the meeting. If the assets have fallen below one-quarter of the mandatory minimum capital, any resolution to wind up the Fund may be approved by shareholders holding one-quarter of the Shares represented at the meeting. The General Meeting has to be convened and be held within a period of 40 days each time when it becomes evident that the Net Fund Assets have fallen below two-thirds or one-quarter of the statutory minimum, as the case may be. The liquidation is effected by one or more liquidators, who may be individuals or legal entities and who are appointed by the General Meeting of shareholders. The General Meeting shall determine their powers remuneration payable. The net liquidation proceeds will be distributed by the liquidators to the shareholders in proportion to the quota of Shares held. In the event of liquidation, the Fund shall be liquidated in accordance with the provisions of the Law of 17 December 2010. This law lays down formal requirements for the shareholders in order to participate in the distribution of liquidation proceeds and provides for a deposit at the Caisse des Consignation of all amounts not claimed by the shareholders on completion of the liquidation process.

### Winding-up and liquidation of sub-funds

The General Meeting of the shareholders of a sub-fund may resolve to reduce the Fund assets by winding-up the sub-fund concerned and cancelling any Shares issued in such sub-fund and to pay out the net asset value of the Shares, as determined on the Valuation Day on which the resolution took effect, less any costs incurred in connection with liquidating the sub-fund. No quorum shall be required at the General Meeting of shareholders of the relevant sub-funds and any resolutions may be taken by a simple majority of the shares present or represented.

Once a sub-fund has been liquidated, any liquidation proceeds relating to Shares that have not been submitted shall be deposited at the Caisse de Consignation following the date on which the liquidation procedure has been completed.

If for any reason the aggregate net asset value of a sub-fund, or Share Class within a sub-fund, has fallen below the value, or fails to attain such value considered by the Board of Directors to be the minimum value necessary to ensure an economically efficient management of such sub-fund or Share Class, as well as in the event of any material change in the political or economic situation or in monetary policy, or in the interests of rationalisation, the Board of Directors may resolve to redeem all Shares of the respective Share Class(es) at the net asset value calculated on the Valuation Day or valuation time on which such resolution takes effect (taking into account the actual realisation prices costs of the investments). The Fund shall issue a notice to shareholders of the respective Share Class(es) affected prior to the date on which the compulsory redemption takes effect, setting out the reasons and the procedure for the redemption. The Fund shall also notify shareholders by publishing a notice in such daily newspapers as the Board of Directors may determine. Subject to any other decision in the interests of shareholders

or in order to ensure the equal treatment of all shareholders, the shareholders of the relevant sub-fund shall still be entitled to apply for Shares to be redeemed or converted free of charge before the compulsory redemption takes effect (however under consideration of the actual realisation prices and costs of the investments).

### **Merger of the Fund and of sub-funds**

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 17 December 2010) of the Fund or of one of the sub-funds, either as receiving or absorbed UCITS or sub-fund, subject to the conditions and procedures imposed by the Law of 17 December 2010, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

The Board of Directors may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another Luxembourg or foreign UCITS (the 'New UCITS'); or
- a sub-fund thereof,

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

In case the Fund involved in a merger is the receiving UCITS (within the meaning of the Law of 17 December 2010), solely the Board of Directors will decide on the merger and effective date thereof.

In the case the Fund involved in a merger is the absorbed UCITS (within the meaning of the Law of 17 December 2010), and hence ceases to exist, the general meeting of the shareholders has to approve, and decide on the effective date of such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes cast at such meeting.

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 17 December 2010) of any sub-fund, either as receiving or absorbed sub-fund, with:

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

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

Notwithstanding the powers conferred to the Board of Directors under the preceding section, the general meeting of shareholders may decide to proceed with a merger (within the meaning of the Law of 17 December 2010) of the Fund or of one of the sub-funds, either as receiving or absorbed UCITS or sub-fund, subject to the conditions and procedures imposed by the Law of 17 December 2010, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

The general meeting of the shareholders may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

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

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



The general meeting of a sub-fund may also decide a merger (within the meaning of the Law of 17 December 2010) of the relevant sub-fund, either as receiving or absorbed sub-fund, with:

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

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

Any cost associated with the preparation and the completion of the merger shall neither be charged to the Fund nor its shareholders.

Shareholders will in any case be entitled to request, without any charge other than those retained by the Fund or the sub-fund to meet disinvestment costs, the repurchase or redemption of their shares, or, where possible, to convert them into units or shares of another UCITS pursuing a similar investment policy and managed by the same management company or by any other company with which the management company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the provisions of the Law of 17 December 2010.

## Information for shareholders

The Fund shall publish an annual report on its activities and the management of its assets, which shall include the balance sheet, the profit and loss account, a detailed description of the assets, and the auditor's report.

The Fund shall also publish semi-annual reports, which shall in particular include information on portfolio investments and the number of Shares issued and redeemed since the date of the previous publication.

Any convocation to General Meetings, any amendments to the Articles of Incorporation, notices concerning the winding-up and liquidation of the Fund or a sub-fund as well as any other important information to shareholders shall, as far as required by law, be published in the Mémorial C and in a Luxembourg daily newspaper. The Board of Directors shall also be entitled to publish at its discretion such information in any other newspapers in Luxembourg or other countries in which Shares are distributed. Following any amendment to the Articles of Incorporation, the coordinated version of the Articles of Incorporation shall be lodged with the RCS and a reference to such deposit and to the amendment of the Articles of Incorporation shall be published in the Mémorial C.

## General Meeting

Notices convening General Meetings shall, as far as required by the law of the Grand Duchy of Luxembourg, be published in the Mémorial C and in a newspaper or newspapers either within or outside Luxembourg, depending on the resolution by the Board of Directors. In case of any amendments to the Articles of Incorporation a coordinated version of the Articles of Incorporation shall be lodged with the RCS and a reference to such deposit and to the amendments shall be published in the Mémorial C. The annual General Meeting shall be held on the second Friday in May of each year, at 11:00 a.m. (Luxembourg time) at the Fund's registered office in the City of Luxembourg, or at any other location specified in the notice calling the meeting.

## Accounting year

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

## General investment guidelines and restrictions

Investment policy shall be subject to the following rules and restrictions.



## 1. The assets of each sub-fund may include the following

Because of the specific investment policies of the individual sub-funds, some of the investment options set out below may not apply to specific sub-funds. Where this is the case, express wording to that effect shall be included in the sub-fund information set out in the relevant Appendix to this Prospectus relating to such sub-fund. For the avoidance of doubt, if no such express details are provided in the relevant Appendix to this Prospectus relating to such sub-fund, the assets of that sub-fund may include the following in accordance with the rules and restrictions set out in this section.

- (a) transferable securities and money market instruments admitted or dealt in on a regulated market, as defined in Article 1 (14) of EU Council Directive 2004/39/EC;
- (b) transferable securities and money market instruments dealt in on any other regulated market in an EU member state, which is regulated, operates regularly and is recognised and open to the public;
- (c) transferable securities and money market instruments admitted to official listing on any stock exchange in a European non-EU member state, North America, Africa, Asia and Australasia ('Non-Member State'), or dealt in on any other market in such country, which is regulated, operates regularly and is recognised and open to the public;
- (d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application shall be made for official listing on any of the regulated markets referred to in 1. (a) to (c) above and that listing approval shall be secured within one year of the issue date at the latest;
- (e) units of undertakings for collective investment in transferable securities ('UCITS') authorised according to EU Directive 2009/65/EC, as amended, and/or any other undertaking for collective investment ('UCI') as defined in Article 1 (2) points a) and b) of EU Directive 2009/65/EC, as amended, whether or not established in an EU member state provided that:
  - such other UCIs are approved under laws subjecting them to regulatory supervision deemed by the Luxembourg supervisory authority to be equivalent to the regulatory supervision prescribed by European Community law and that cooperation between authorities is sufficiently ensured;
  - the level of protection afforded to unitholders of such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and short selling of transferable securities and money market instruments are equivalent to the requirements of EU Directive 2009/65/EC;
  - the business of such other UCIs are reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - the management regulations or articles of incorporation of the UCITS or such other UCI in which units shall be acquired provide that in aggregate no more than 10% of its assets may be invested in units of another UCITS or UCI.
- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the relevant credit institution has its registered office in an EU member state, or if the credit institution's registered office is situated in a Non-Member State, the credit institution must be subject to prudential rules which the CSSF deems equivalent to the supervisory provisions prescribed under European Community law, and the Non-Member State concerned must also be an OECD country;
- (g) financial Derivative instruments, including but not limited to options, futures and swap transactions ('Derivatives'), including equivalent cash-settled instruments, dealt in on a regulated market as described in 1. (a), (b) and (c) above, and/or Derivatives dealt in over-the-counter ('OTC Derivatives'), provided that:
  - the underlyings consist of instruments set out in 1. (a) to (h) or financial indices, interest rates, foreign exchange rates or currencies;

- the counterparties to OTC Derivatives 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 may be sold, liquidated or closed by an offsetting transaction at their fair value at any time at the initiative of the applicable sub-fund.
- (h) money market instruments other than those dealt in on a regulated market, which are normally dealt in on the money market, are liquid and have a value which can be accurately determined at any time, provided that the issue or issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the European Union, the European Investment Bank, a Non-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 of which at least one EU member state is a member; or
  - issued by a company any securities of which are dealt in on a regulated market, as defined in 1. (a), (b) and (c) above; or
  - issued or guaranteed by an institution subject to prudential supervision by a government regulator, in accordance with criteria defined by European Community law, or by an institution which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by European Community law; or
  - issued by other bodies belonging to the categories approved by the CSSF, provided that any investments in such instruments are subject to investor protection equivalent to that laid down in the first, second or third indent above, and provided that the issuer is a company the capital and reserves of which amount to at least ten million Euros (EUR 10,000,000), which presents and publishes its annual accounts in accordance with the fourth EU Council Directive 78/660/EEC, or is a legal 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.

## **2. Each sub-fund may moreover**

- (a) invest up to 10% of its Net Sub-Fund Assets in transferable securities and money market instruments other than those referred to in 1. above;
- (b) hold cash and cash equivalents not exceeding 49% of its Net Sub-Fund Assets. In exceptional circumstances, the proportion of cash or cash equivalents held may also exceed 49% of such assets, where this is deemed to be in the interests of shareholders;
- (c) take out short-term borrowings not exceeding 10% of its Net Sub-Fund Assets. For the purposes of the foregoing, hedging transactions relating to the sale of options or the sale or purchase of forward contracts and futures shall not be deemed to be borrowings;
- (d) purchase currencies under back-to-back transactions.

## **3. The Fund shall also comply with the following investment restrictions when investing the assets of any sub-fund**

- (a) Sub-funds may not invest more than 10% of their Net Sub-Fund Assets in transferable securities or money market instruments issued by the same body. Sub-funds may not invest more than 20% of their Net Sub-Fund Assets in deposits made with the same body. The risk exposure to a counterparty of a sub-fund in an OTC Derivatives transaction may not

exceed 10% of its Net Sub-Fund Assets when the counterparty is a credit institution, as defined under 1. (f) above. In all other cases, the applicable limit shall be 5% of the Net Sub-Fund Assets of the sub-fund concerned.

- (b) The total value of the transferable securities and money market instruments held by a sub-fund in the issuing bodies in each of which the sub-fund invests more than 5% of its Net Sub-Fund Assets may not exceed 40% of the value of its Net Sub-Fund Assets. The foregoing limit shall not apply to deposits and OTC Derivatives transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits set out in 3. (a) above, a sub-fund may not combine:

- investments in transferable securities or money market instruments issued by;
  - deposits made with; and/or
  - exposures arising from OTC Derivatives transactions carried out with a single issuer in excess of 20% of its Net Sub-Fund Assets.
- (c) The limit specified in the first sentence of 3. (a) above shall be raised to a maximum of 35%, if the transferable securities or money market instruments are issued or guaranteed by an EU member state, by its local authorities, by a Non-Member State, or by public international bodies of which at least one EU member state is a member.
- (d) The limit specified in the first sentence of 3. (a) above shall be raised to a maximum of 25% for certain bonds when these are issued by a credit institution which has its registered office in an EU member state and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the and which, in the event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest.

Where any sub-fund invests more than 5% of its Net Sub-Fund Assets in bonds referred to in the foregoing paragraph and issued by one issuer, the total value of such investments may not exceed 80% of Net Sub-Fund Assets of the sub-fund.

- (e) The transferable securities and money market instruments referred to in 3. (c) and (d) above shall not be taken into account in the calculation of the limit of 40% referred to in 3. (b).

The limits laid down in 3. (a), (b), (c) and (d) above may not be combined. Accordingly, investments in transferable securities or money market instruments issued by the same body, or in deposits or Derivatives made with such issuer carried out in accordance with 3. (a), (b), (c) and (d) above, may not under any circumstances exceed 35% of Net Sub-Fund Assets of a sub-fund in total.

Companies which are included in the same group of undertakings for the purposes of consolidated accounts, as defined in accordance with EU Council Directive 83/349/EEC, or in accordance with recognised international accounting standards, shall be deemed to be a single body for the purpose of calculating the limits contained in 3. (a) to (e).

Each Sub-Fund may cumulatively invest up to 20% of its Net Sub-Fund Assets in transferable securities and money market instruments within the same group.

- (f) Without prejudice to the investment limits specified in 3. (k), (l) and (m), the limits laid down in 3. (a) to (e) above shall not exceed 20% for investments in shares and/or bonds issued by the same body when the stated aim of the sub-fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided that:
- the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;

- the index is published in an appropriate manner.
- (g) The limit laid down in 3. (f) above shall be raised to 35% where such increase is justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. Any investment up to this limit shall only be permitted for a single issuer.
- (h) Without prejudice to the provisions of 3. (a) to (e) above, any sub-fund may be authorised by the CSSF to invest, in accordance with the principle of risk diversification, up to 100% of its Net Sub-Fund Assets in different transferable securities and money market instruments issued or guaranteed by an EU member state, by its local authorities, by any other OECD member state, or by any public international body of which one or more EU member states are members, provided that (i) such securities form part of at least six separate issues and (ii) no more than 30% of the Net Sub-Fund Assets of the applicable sub-fund are invested in transferable securities from any one issue.
- (i) A sub-fund may acquire units in another UCITS and/or UCIs, as referred to in 1. (e) above, provided that, in compliance with the provision under 3. (j) below, no more than 10% of its Net Sub-Fund Assets are invested in any one UCITS or UCI. This limit may be raised up to 20% if the relevant appendix of such Sub-Fund in the prospectus of the Fund explicitly provides for a different limit. For the purpose of applying the aforementioned investment limit, any sub-fund of an umbrella fund within the meaning of Article 181 of the Law of 17 December 2010 shall 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.
- (j) Any investments made in units of UCITS and other UCIs may not in aggregate exceed 10% of a sub-fund's Net Sub-Fund Assets unless the relevant appendix of such sub-fund in the prospectus of the Fund explicitly provides for a deviant investment policy in this respect. A deviation of the aforementioned investment limit shall in particular be possible if the relevant appendix allows the investment in units of a master fund qualifying as a UCITS provided that the relevant sub-fund invests at least 85% of its net asset value in units of such master fund.

A sub-fund may invest in shares of another sub-fund of the Fund (the 'Target Sub-Fund') provided that

- the Target Sub-Fund does not, in turn, invest in the sub-fund invested in this Target Sub-Fund; and
- no more than 10% of the assets of the Target Sub-Fund whose acquisition is contemplated may be invested in aggregate in units of other Target Sub-Funds; and
- voting rights attached to the relevant shares are suspended for as long as they are held by the sub-fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these shares are held by the sub-fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the statutory minimum threshold; and
- there is no duplication of management, performance, subscription or redemption fees amongst the Target Sub-Fund and the investing sub-fund.

When a sub-fund has acquired units in a UCITS and/or other UCIs, the assets of such UCITS or other UCIs are not combined for the purposes of the limits specified in 3. (a) to (e) above.

When a sub-fund acquires units of a UCITS and/or other UCI, which are managed, either directly or by way of 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 direct or indirect holding of more than 10% of the capital or votes, that management company or other company may not charge fees for the subscription or redemption of units in such UCITS and/or UCIs through the sub-fund concerned.

When a sub-fund invests in units of a UCITS and/or other UCI launched and/or managed by another company, sales commissions and redemption fees may be charged in respect of such target fund. Any sales commission or redemption fee charged by the sub-fund concerned shall be indicated in the sub-fund annual report.

When a sub-fund invests in a UCITS and/or other UCI, target fund administration and management fees shall be charged to the sub-fund's assets in addition to the administration and management fees charged by the investing fund. As a result, administration and management fees may effectively be charged twice.

(k) The Fund may not acquire on behalf of any sub-fund any shares carrying voting rights, which, taken together would enable it to exercise significant influence over the management of an issuing body.

(l) Moreover, neither the Fund nor any individual sub-fund may acquire more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 25% of the units of any single UCITS and/or other UCI; and
- 10% of the money market instruments of any single issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the money market instruments, or the net amount of the instruments in issue cannot be calculated.

(m) The provisions set out in 3. (k) and (l) above shall not apply to:

- (i) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a Non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies, of which one or more EU member states are members;
- (iv) shares held by a sub-fund in the capital of companies incorporated under the law of a Non-Member State, which invests its assets primarily in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state, such a holding represents the only way in which the sub-fund can invest in the securities of issuing bodies of that state, and (iii) such company complies with the investment restrictions set out in 3. (a) to (e) and 3. (i) to (l) above for the purpose of investing its assets;
- (v) shares held by an investment company or investment companies in the capital of subsidiary companies, which exclusively on its or their behalf provide only management, advisory or marketing services in the country where the subsidiary is located in relation to unit redemptions requested by unitholders;

(n) no sub-fund may acquire commodities or precious metals, or certificates in respect thereof;

(o) no sub-fund may invest in real estate, although investments in transferable securities backed by real estate, or interest thereon, or investments in transferable securities issued by companies investing in real estate and interest thereon shall be permitted;

- (p) the Fund may not grant loans to or act as guarantor for third parties. The foregoing investment restriction shall not preclude any sub-fund from investing its Net Sub-Fund Assets in transferable securities, money market instruments or other financial instruments, as set out in 1. (e), (g) and (h) above, which have not been fully paid up, provided that the sub-fund concerned has sufficient cash holdings or other liquid assets to meet any calls for outstanding payments. No allowance may be made for such reserves for the purpose of option purchases;
- (q) Sub-Funds may not engage in the short selling of transferable securities, money market instruments or any of the other financial instruments referred to in 1. (e), (g) and (h) above.

#### **4. Without prejudice to any contrary provisions set out herein**

- (a) Sub-Funds are not required to comply with the investment limits set out in 1. to 3. above when exercising subscription rights attaching to transferable securities or money market instruments held as part of their Net Sub-Fund Assets.
- (b) Newly registered Sub-Funds may depart from the rules laid down in 3. (a) to (j) above for a period of six months from the date on which such approval was issued, provided that sufficient diversification of risk is ensured.
- (c) If the limits set out above are exceeded for reasons beyond the sub-fund's control, or as a result of the exercise of subscription rights, the sub-fund concerned shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
- (d) If an issuer is a legal entity comprising multiple sub-funds where the assets of a single sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors the claim of which 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 diversification rules set out in 3. (a) to (g) and 3. (i) and (j) above.

The Board of Directors reserves the right to impose such other investment restrictions as it may deem necessary in order to ensure compliance with the laws and regulations of countries in which shares of the Fund are offered or sold.

#### **5. Investment limits applying to other techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management**

##### *(A) General provisions*

In the interest of efficient portfolio management or for risk or duration management purposes, sub-funds may opt to employ other techniques and instruments. Where other techniques and instruments are employed by a specific Sub-Fund, this intention will be set out in the relevant Sub-Fund's Appendix.

Due consideration shall also be given to the provisions concerning risk management procedures, set forth in 8. below.

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

Sub-Funds shall not under any circumstances deviate from their investment policies, as stated in the relevant Appendix in relation to the individual sub-funds of this Prospectus, when engaging in transactions involving Derivatives or other techniques and instruments.

Under inclusion of the eligible borrowing (pursuant to 2. (c)) of 10% of the Net Sub-Fund Assets of the relevant sub-fund the global exposure of each sub-fund may amount to maximum 210% of the Net Sub-Fund Assets of the relevant sub-fund.

#### *(B) Securities lending*

Sub-Funds may enter into securities lending or borrowing transactions, provided that such transactions are carried out in accordance with the following guidelines and the Law of 2010 and applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority ('ESMA'), including CSSF Circulars 08/356 and, to the extent applicable, CSSF Circular 13/559.

- (i) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Union law;
- (ii) Sub-Funds may only lend or borrow securities through a standardised system operated by a recognised securities clearing institution, such as Clearstream and Euroclear, through a lending program organized by a financial institution or through a first-class financial institution specialised in this type of transactions subject to prudential supervision rules which are considered by the CSSF as equivalent to those provided by European Union law.
- (iii) When engaging in lending transactions, the relevant sub-fund must receive collateral of a value which, during the lifetime of the lending agreement, must be at any time at least equal to 90% of the value of the securities lent. This collateral must be provided in the form of (i) liquid assets and/or (ii) sovereign OECD bonds, (iii) shares or units issued by specific money market UCIs, (iv) shares or units issued by UCITS investing in bonds issued or guaranteed by first class issuers offering an adequate liquidity, (v) shares or units issued by UCITS investing in shares listed or dealt on a stock exchange of a member state of the OECD provided they are included in a main index, (vi) direct investment in bonds or shares with the characteristics mentioned in (iv) and (v).

This collateral must be valued on a daily basis. The collateral may be reinvested within the limits and conditions of the CSSF regulations and subject to section 6. below.

- (iv) The net exposures (i.e. the exposures of the Sub-Fund less the collateral received by the Sub-Fund) to a counterparty arising from securities lending transactions shall be taken into account in the 20% limit provided for in 3. (b) above.
- (v) A Sub-Fund must be able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
- (vi) No securities borrowed by any individual sub-fund may be disposed of at any time during which they are held by the sub-fund, unless such securities are covered by sufficient financial instruments so as to enable the sub-fund to return the securities borrowed at the end of the contract term.
- (vii) Sub-Funds may borrow transferable securities under the following circumstances in connection with the settlement of a securities transaction: (x) at any time in which the securities have been sent for re-registration, (y) where securities have been lent and not returned on time, and (z) to prevent failed settlement when the custodian bank fails to discharge its delivery obligation.

#### *(C) Repurchase agreements*

Sub-Funds may, on an ancillary or a principal basis, as specified for each sub-fund in the relevant Appendix, enter into repurchase agreement transactions consisting of the purchase and sale of transferable securities, subject to a clause providing that the seller has the right or is under an obligation to repurchase the securities from the buyer at an agreed date in the future and at an agreed price on terms specified by the two parties under the agreement. Sub-Funds may act as buyer or seller under a repurchase agreement or series of repurchase agreement transactions. However, sub-funds may



only engage in such transactions subject to the following conditions and provided that such transactions are carried out in accordance with the Law of 2010 and applicable regulations, including circulars and other publications of the CSSF and ESMA, including CSSF Circulars 08/356 and, to the extent applicable, CSSF Circular 13/559:

- (i) sub-funds may not buy or sell securities under a repurchase agreement unless the counterparty to such transaction is a first-class financial institution specialised in transactions of this type subject to prudential supervision rules considered by the CSSF as equivalent to those provided by European Union law;
- (ii) during the term of the repurchase agreement, sub-funds may not sell any securities forming the object of such agreement either before the right to repurchase such securities has been exercised by the counterparty, or before the repurchase term has expired, except to the extent the Fund has other means of coverage;
- (iii) since the sub-funds are open-ended and redeem Shares on demand, they must ensure that the level of their exposure to repurchase agreement transactions is such that they are able, at all times, to meet their redemption obligations;
- (iv) the net exposures (i.e. the exposures of the Sub-Fund less the collateral received by the Sub-Fund) to a counterparty arising from repurchase agreements shall be taken into account in the 20% limit provided for in 3. (b) above;
- (v) subject to (vii) below, a sub-fund that enters into a repurchase agreement as buyer (reverse repurchase agreement) must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the sub-fund;
- (vi) subject to (vii) below, a sub-fund that enters into a repurchase agreement as seller must ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered; and
- (vii) fixed-term repurchase and reverse repurchase agreements that do not exceed seven days are considered as arrangements on terms that allow the assets to be recalled at any time by a sub-fund.

## **6. Collateral policy and reinvestment of collateral**

- (a) Collateral received for OTC Derivatives and other techniques and instruments set out in 5. above must comply with the Law of 2010 and applicable regulations, including circulars and other publications of the CSSF and ESMA, including CSSF Circulars 08/356 and, to the extent applicable, CSSF Circular 13/559, notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability.
- (b) The required level of collateral for OTC Derivatives and other techniques and instruments set out in 5. above will be determined according to the nature and the characteristics of the executed transactions, the counterparties, the market conditions and applicable rules.
- (c) Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Management Company for each asset class based on its haircut policy. The haircut policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency and price volatility of the assets. No haircut will generally be applied to cash collateral.
- (d) Non-cash collateral received in the context of OTC Derivatives cannot be sold, re-invested or pledged.



- (e) Non-cash collateral received in the context of other techniques and instruments set out in 5. above cannot be sold or given as a security or pledged during the duration of the agreement, except when the Sub-Fund has other means of coverage.
- (f) Cash collateral received in the context of OTC Derivatives or other techniques and instruments set out in 5. above can only be:
  - (i) placed on deposit with entities prescribed in 1. (f) above;
  - (ii) invested in high-quality government bonds;
  - (iii) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis;
  - (iv) invested in short-term money market funds.
- (g) Re-invested cash collateral must be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral must be aggregated to calculate the 20% limit of exposure to a single issuer.
- (h) Risks of the reinvestment of cash-collateral:

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

## **7. Risk management procedures**

Sub-Funds shall implement risk management procedures enabling them to continuously monitor and measure risks inherent to the sub-fund investments and their contribution to the overall risk profile of the portfolio. Sub-Funds shall initiate appropriate procedures to enable accurate and independent assessment of the value of OTC Derivatives.

The Fund shall ensure that the overall Derivatives risk for each sub-fund does not exceed the total Net Sub-Fund Assets of the relevant sub-fund. In calculating such risk, due consideration shall be given to the market value of the underlying, the risk of counterparty default, future market fluctuations and the time required to close out positions.

Sub-Funds may invest in Derivatives as part of their investment strategy, subject always to the limits laid down in 3. (e) of this 'General investment guidelines and restrictions' section, provided that the overall risk posed by the underlyings does not exceed the investment limits set out in 3. (a) to (e) above. Investments by sub-funds in index-based Derivatives may be disregarded when calculating the investment limits set out in 3. (a) to (e) above.

For the purposes of complying with the provisions of this section 7, any Derivatives embedded in transferable securities or money market instruments must be taken into account.

## **8. Risks involved when employing other techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management**

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to

the relevant Sub-Fund as required by the terms of the transaction. Counterparty risk can be mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the relevant Sub-Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the relevant Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Sub-Fund.

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

## Calculation of the net asset value of shares

### Calculation and publication

The Board of Directors shall be responsible for determining and publishing the net asset value of shares in the applicable sub-fund currency ('Fund Currency'). Net asset values may also be published in other currencies, using the closing middle exchange rate applying on the Valuation Day.

The net asset value of shares shall be calculated by dividing the Net Sub-Fund Assets of the sub-fund concerned by the total number of sub-fund shares.

With respect to specific Share Classes or sub-funds and as further specified in the relevant Appendix, as the case may be, the Board of Directors may determine to apply an alternative net asset value calculation method (to include such reasonable factors as they see fit) to the net asset value per share of such Share Class or sub-fund. This method of valuation is intended to pass the estimated costs of underlying investment activity of the sub-fund to the active shareholders by adjusting the net asset value of the relevant share class or sub-fund and thus to protect long-term shareholders from costs associated with on-going subscription and redemption activity.

This alternative net asset value calculation method may take account of trading spreads on the investments of the share class or sub-fund, the value of any duties and charges incurred as a result of trading and may include an allowance for market impact.

Where the Board of Directors, based on the prevailing market conditions and the level of subscriptions or redemptions requested by shareholders or potential shareholders in relation to the size of the relevant share class or sub-fund, has determined for a particular Share Class or sub-fund to apply an alternative net asset value calculation method, the Share Class or sub-fund may be valued either on a bid or offer basis (which would include the factors referenced in the preceding paragraph).

Net asset values shall be determined on any applicable Valuation Day as defined in the Appendix of each sub-fund. The actual calculation and publication of the net asset values will take place on the next bank business day after such Valuation Day unless otherwise provided for in the relevant Appendix.

Assets shall be valued in accordance with the following rules:

1. Any target fund units held in the sub-fund shall be valued at the last quoted redemption price obtainable.
2. Cash holdings, bank deposits, deposit certificates and outstanding claims, pre-paid expenses, cash dividends and interest that has been declared or accrued but not yet received shall be recognised at full value, unless in any instance the same is unlikely to be paid or received in full, in which event the value shall be calculated by making such discount as may be appropriate to reflect the true value thereof.

3. The value of assets listed or traded on a stock exchange shall be based on the last available price offered on the stock exchange which is normally the main market for the relevant security. If a transferable security or other asset is listed on more than one stock exchange, the last available price on the stock exchange and/or regulated market which is the main market for the asset concerned shall be used.
4. The value of assets traded on any other regulated market shall be based on the last available price.
5. Where a specific asset is not listed or traded on a stock exchange or other regulated market, or if with respect to assets listed or traded on a stock exchange or any other regulated market as aforesaid, the prices as determined in accordance with 3. or 4. above are not an accurate reflection of the fair market value of the relevant assets, such assets shall be valued on the basis of a prudent assessment of their reasonably foreseeable sales price.
6. The liquidation value of futures, forwards or options not traded on an official exchange or other regulated market shall mean their net liquidation value determined, pursuant to guidelines determined by the Board of Directors, on a basis consistently applied to all the various contract types. The liquidation value of futures, forwards or options traded on an official exchange or other organised market shall be based on last available settlement prices of such contracts on exchanges or organised markets on which the particular futures, forwards or options contracts are traded by the Fund. If it is not possible to liquidate any future, forward or options contract on a date on which the net asset value is calculated, the value of such contract shall be based on such value as the Board of Directors may deem fair and reasonable. Swaps shall be valued at their market value.
7. The value of money market instruments not traded on an official exchange or other regulated market and which have a residual term to maturity of less than 12 months and more than 90 days, shall be the applicable par value plus accrued interest thereon. Money market instruments with a residual term to maturity not exceeding 90 days shall be valued using the amortised cost method, which approximates current market value.
8. All other securities or assets shall be valued at fair market value as determined in good faith and in accordance with procedures established by the Board of Directors.

Net asset values, issue and redemption prices may be obtained from the Fund's registered office during office hours. The currency of account applicable to the Fund as a whole shall be Euros (EUR) (the 'Reference Currency'). Where legislation or the provisions of the Articles of Incorporation prescribe that annual or semi-annual reports or other financial statistics shall include information on the overall status of the Fund's assets, sub-fund assets shall be converted into the Reference Currency based on the last available middle exchange rate.

#### **Temporary suspension of calculation**

The Fund may temporarily suspend the calculation of net asset value and the issue and redemption of Shares for all sub-funds:

- (a) during any period (other than public holidays) when any stock exchange or other market relevant to the valuation of a significant part of Fund investments is closed, trading is restricted or temporarily suspended on such exchange or market, or if such exchange or market is subject to severe short-term fluctuations;
- (b) if it is not possible to dispose of Fund investments in the usual way without materially prejudicing the interests of shareholders;
- (c) in the event of any breakdown in the normal channels of communication or if it is impracticable for some other reason to calculate the value of Net Sub-Fund Assets in respect of Fund investments promptly and accurately;
- (d) if it is not feasible to realise investments or make any transfer of Fund assets that may be required for such purpose at normal market prices or exchange rates;

- (e) in the event of the publication of a notice convening an extraordinary General Meeting for the purpose of winding-up the Fund;
- (f) in the event of any breakdown or malfunction of any IT media required to calculate the net asset value of Shares;
- (g) following the suspension of the calculation of the net asset value per share, the issue, redemption and the conversion at the level of a master fund in which a sub-fund of the Fund invests acting by that mean as a feeder fund of such master fund;
- (h) during a period where the relevant indices underlying the derivative instruments which may be entered into by the relevant sub-funds of the Fund are not compiled or published;
- (i) during any period when for any other reason the prices of any investments owned by the Fund, in particular the derivative instruments and repurchase transactions which may be entered into by the Fund in respect of any sub-fund, cannot promptly or accurately be ascertained;
- (j) during any period when the dealing of the shares of the relevant share class or sub-fund of the Fund on the relevant stock exchanges where the shares of the relevant share class or sub-fund of the Fund are listed is suspended or restricted;
- (k) during any period during which the relevant stock exchanges on which the shares of the relevant share class or sub-fund of the Fund are listed are closed.

Notice of the commencement and termination of such suspension period shall be published in the Luxembourg newspaper 'd'Wort' and in such other newspapers as the Board of Directors may determine. The Fund shall also be required to notify shareholders and any purchasers who may be affected, i.e. any party who has submitted an application for the subscription or redemption of Shares in respect of which the calculation of net asset value has been suspended.

## Transfer and use of shareholders' personal data

In accordance with the provisions of the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended, the Fund collects, records, stores and processes any Shareholder data provided at the time of subscription, either electronically or by other means, for the purposes of providing the services subscribed by Shareholders and discharging its statutory obligations.

The data processed includes in particular the name, contact details, date and place of birth, nationality, bank account details and the amount invested by each individual Shareholder (the 'Personal Data').

Investors may refuse to supply Personal Data to the Fund. Where such refusal is made, the Fund shall be entitled to reject any application to subscribe to Fund Shares submitted by the investor concerned.

The purposes for which Personal Data supplied by Shareholders are processed include (i) keeping the register of Shareholders, (ii) processing applications for Share subscriptions, redemptions and conversions and paying out dividends to Shareholders, (iii) monitoring late trading and market timing practices, (iv) complying with applicable anti-money laundering rules and regulations, (v) complying with requests of tax authorities, the public administration or other public authorities required under Luxembourg law, (vi) providing client related services, including customer support, and (vii) for marketing purposes

The Fund may delegate the processing of Personal Data to the following data processors located in the European Union and acting on behalf of the Fund: the Management Company, the Central Administrative Agent, the Registrar and Transfer Agent, the relevant Investment Manager and the distributors of the Fund, in accordance with their roles as set out in the applicable laws and regulations. The Registrar and Transfer Agent may also sub-delegate the processing of Personal Data to Citibank Europe plc. (Ireland Branch), Dublin, Ireland. Furthermore, the Registrar and Transfer Agent may sub-delegate the processing of

Personal Data to Tata Consultancy Services Ltd., India. India is not deemed to offer an adequate level of data protection according to the European Union Commission. Shareholders expressly consent to such transfer of their Personal Data.

Shareholders acknowledge and agree that Personal Data are stored on a server held by a member of the Man Group and located in the UK for the purpose of developing and processing the business relationship with the Shareholders, providing client related services, including customer support as well as calculating commissions of distributors. The server may be accessed by authorised staff of the Man Group located in the European Union, in countries outside the European Union which offer an adequate level of protection (Switzerland and Guernsey) and in countries which may not be deemed to offer an adequate level of data protection according to the European Union Commission (Hong Kong, Japan, Singapore, Uruguay and Dubai). Shareholders expressly consent to such transfers of their Personal Data. Upon instruction of the Fund, the Registrar and Transfer Agent may also provide Personal Data to such authorised staff of the Man Group for the purpose of providing client related services, including customer support. Shareholders expressly consent to such transfers of their Personal Data.

Personal Data stored on the server are updated by Citibank Europe PLC, Dublin, acting as data processor on behalf of the Fund, and may be accessed by the Irish staff of Citibank Europe PLC and by its Hong Kong office. Shareholders expressly consent to such transfers of their Personal Data. All shareholders shall be permitted to access their Personal Data and submit requests for the correction of any Personal Data that are inaccurate or incomplete. Any shareholder wishing to access their Personal Data or request such correction may contact the Fund in writing at the following address:

Man Umbrella SICAV  
19, rue de Bitbourg  
L-1273 Luxembourg

Shareholders may object to the use of their Personal Data for marketing purposes. Any shareholder wishing to raise such objection should write to the Fund at the above-mentioned address.

## Pooling

The Fund may invest and manage all or any part of the assets established for two or more sub-funds (for the purposes hereof 'Participating Sub-Funds') on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate in respect of the investment policy of the pool concerned) from each of the Participating Sub-Funds. Thereafter, the Fund may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Sub-Fund up to the amount of the participation of the Sub-Fund concerned. The share of a Participating Sub-Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Fund shall determine the initial value of notional units (which shall be expressed in such currency as the Fund may consider appropriate) and shall allocate to each Participating Sub-Fund notional units having an aggregate value equal to the amount of cash (or the value of other assets) contributed. Thereafter, the value of the units shall be determined by dividing the net assets of the asset pool by the number of notional units existing.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of notional units of the Participating Sub-Fund concerned will be increased or reduced, as the case may be, by a number of notional units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit in such asset pool. Where a contribution is made in cash, it may be treated for the purpose of this calculation as reduced by an amount which the Fund considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding deduction may be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

The share of each Participating Sub-Fund relates to each line of investment in the relevant pool.

Dividends, interest and other distributions of an income nature, if any, earned in respect of the assets in an asset pool will be applied to such asset pool and cause the respective net assets to increase. Upon the dissolution of the Fund, the assets in an asset pool will be allocated to the Participating Sub-Funds in proportion to their respective participation in the asset pool.

## Conflicts of interest

### Board of Directors

The members of the Board of Directors may have conflicts of interests, principally arising from their role within various service providers to the Fund and from their role as directors of other investment vehicles. The Board of Directors will have regard to their obligations to act in the best interests of the Fund and its shareholders in managing these conflicts.

### Management Company

For the purpose of identifying the types of conflict of interest that arise in the course of providing services and activities and whose existence may damage the interest of the Fund, the Management Company will take into account, by way of minimum criteria, the question of whether the Management Company or a relevant person, or a person directly or indirectly linked by way of control to the Management Company, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise:

- (a) the Management Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the Fund;
- (b) the Management Company or that person has an interest in the outcome of a service or an activity provided to the Fund or another client or of a transaction carried out on behalf of the Fund or another client or, which is distinct from the Fund interest in that outcome;
- (c) the Management Company or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Fund;
- (d) the Management Company or that person carries on the same activities for the Fund and for another client or clients which are not UCITS; and
- (e) the Management Company or that person receives or will receive from a person other than the Fund an inducement in relation to collective portfolio management activities provided to the Fund, in the form of monies, goods or services, other than the standard commission or fee for that service.

When identifying any potential types of conflict of interests, the Management Company will take into account:

- (a) the interests of the Management Company, including those deriving from its belonging to a group or from the performance of services and activities, the interests of the clients and the duty of the Management Company towards the Fund, as well as
- (b) the interests of two or more managed UCITS.

### Man Group entities and affiliates

Each of the MI (CH), MIL, GLG Partners LP, Man Investments AG and other members or affiliates of the Man Group from time to time and their respective officers, employees and affiliates (the 'Man Group entities and affiliates') may undertake financial, investment or professional activities which give rise to conflicts of interest with the Fund and/or its shareholders ('Man Conflicts').

Where there is a material risk of damage to the Fund and/or its shareholders arising from any Man Conflict, this conflict will be managed by the Man Group entities and affiliates to prevent the conflict from adversely affecting the interests of the Fund and/or its shareholders so far as it is practicable having regard to their obligations to other clients. Where it cannot be managed it will be disclosed to the Fund. In many cases, approval by the Fund of arrangements with the Man Group entities will be the primary mechanism of managing potential Man Conflicts.

Examples of potential Man Conflicts include the following:

**Allocations:** there may be occasions when a member of the Man Group has an interest in fees and expenses charged by or in relation to investment funds or managed accounts in which a sub-fund directly or indirectly invests, or has an interest in the underlying investment managers themselves. The Investment Managers will follow procedures designed to ensure that the fees charged by any individual underlying investment manager are generally in the range of those charged in accordance with standard market practice, taking into account all relevant circumstances applicable to that manager. In this context, the term 'interest' means, without limitation, a business relationship, financial relationship or other commercial dynamic which results in a business, commercial, financial or other material interest being generated in relation to the subject matter.

**Competitor products:** the Investment Managers and/or its affiliates provide and may in the future provide investment management, investment advice or other services in relation to separate competitor investment products or managed accounts. These competitor vehicles may have investment policies similar to those of any of the sub-funds or entities through which they make investment allocations and the Investment Managers may be compensated in a different manner in respect of those vehicles. The Investment Managers will follow procedures designed to ensure an appropriate allocation of available investment opportunities among the sub-funds and competitor vehicles.

**Proprietary investment activities:** any of the Man Group entities and/or affiliates may buy, hold and redeem Shares of the sub-funds in the normal course of their business and may on occasions hold a significant percentage of sub-funds' issued Shares. They may also enter into transactions as principal with the Fund on behalf of any of the sub-funds.

## Legal Disclaimer

Investments in the Fund are not deposits or obligations of, or guaranteed or endorsed in any way by Citibank International plc (Luxembourg Branch) or any of its affiliates. Neither Citibank International plc (Luxembourg Branch) nor any of its affiliates, branches or subsidiaries, directly or indirectly, guarantees, assumes or otherwise insures the obligations or performance of the Fund or any other investment that the Fund makes. Any losses of the Fund are solely borne by the investors and not by Citibank International plc (Luxembourg Branch) or any of its affiliates or subsidiaries.

As described in this Prospectus, Citibank International plc (Luxembourg Branch) may provide services to the Fund pursuant to the Fund Administration Services Agreement and the Custodian Services Agreement. Citibank International plc (Luxembourg Branch) is not under either of those agreements acting as an investment manager, as an investment, legal or tax adviser to the Fund. In providing its services under those agreements, Citibank International plc (Luxembourg Branch) is only providing such services to the Fund and not to any other person.

Citibank International plc (Luxembourg Branch) is not responsible for the content of the Prospectus. Such responsibility is with the Fund and the Management Company or other persons and accordingly each investor agrees that Citibank International plc (Luxembourg Branch) will not have any liability arising from any inaccuracies in the Prospectus.

## Appendices to the Prospectus: the Sub-Funds

The following appendices contain specific information on the individual Man Umbrella SICAV sub-funds, which should be read in conjunction with the rest of the Prospectus.

In case of discrepancies between the general rules in the main part of the Prospectus and the relevant sub-fund appendix, the latter shall prevail.

Sub-Fund assets are invested according to the principle of risk diversification. Unless otherwise stated in the Appendix of the relevant sub-fund, each sub-fund must invest at least two-thirds of its Net Sub-Fund Assets in transferable securities of companies established in or carrying on business in the country, geographical area, business sector or investment market indicated by the sub-fund name. At the same time, unless otherwise stated in the relevant Appendix, each sub-fund may invest up to one-third of its aggregate net assets in investments other than those indicated by its name.



## Appendix 1: Man Convertibles Far East

### 1. Investment objective and policy

The investment objective of the Man Umbrella SICAV – Man Convertibles Far East (the 'Sub-Fund') is to increase the value of investments in equity-related securities, while providing maximum possible capital security to investors.

In order to achieve this objective, at least two-thirds of the assets of the Sub-Fund shall be invested in convertible bonds, exchangeable bonds, convertible notes, warrant bonds, notes with warrants on transferable securities, mandatory convertible bonds and convertible preference shares issued by issuers the registered office of which is located in or which maintain the bulk of their production or generate a substantial part of their turnover in the Asia-Pacific region (including Oceania and the Indian subcontinent).

Derivatives may be used for hedging purposes subject to the investment restrictions set out in the 'General investment guidelines and restrictions' section in the general part of the Prospectus. Such transactions may include futures on bonds, share indices, interest rate futures, interest rate swaps and forward foreign exchange transactions. Furthermore, the Sub-Fund may also buy put options on transferable securities, share indices or currencies for hedging purposes.

In addition thereto, the Sub-Fund may also enter into credit derivative transactions, in particular credit default swaps on transferable securities or indices and callable asset swaps in order to hedge credit risks in relation to the assets of the portfolio. The Sub-Fund shall only enter into such transactions with highly rated credit institutions being specialized in such kind of transactions provided that such transactions are carried out in compliance with the provisions set out by the International Swap and Derivatives Association (ISDA). A credit default swap is an agreement pursuant to which one contractual party, the protection buyer, pays in periodic intervals a fee in return for the obligation of the protection seller to make a payment under the condition of the occurrence of a credit event of a reference issuer. The protection buyer acquires the right to sell a specified bond issued by the reference issuer at par value (or at some other reference or strike price determined for such purpose) upon the occurrence of a credit event. Credit events are commonly defined as bankruptcy, insolvency, receivership, debt restructuring involving materially prejudicial consequences, or default.

The use of callable asset swaps enables the Sub-Fund to hedge the credit risk inherent to an underlying instrument, such as convertible bonds or notes, by selling the underlying asset in return for a call option on the underlying. By engaging in such transactions, the Sub-Fund can efficiently manage the risks inherent to the separate components of convertible bonds or notes held in the portfolio.

Finally, the Sub-Fund may use Derivatives for purposes other than hedging, subject to the investment restrictions set out in the 'General investment guidelines and restrictions' section in the general part of the Prospectus. In particular, the Sub-Fund may, in specific instances, purchase futures on share indices and call options on transferable securities or share indices. Due to the use of Derivatives for investment purposes, the long investment exposure of the Sub-Fund may exceed 100% of the Sub-Fund's net assets.

The Sub-Fund will not employ any other techniques and instruments such as securities lending or repurchase or reverse repurchase transactions.

The Sub-Fund shall ensure that the aforementioned transactions are consistently kept at a level that would allow it to meet its obligations to redeem Sub-Fund shares in full at any time.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out in the section 'General investment guidelines and restrictions' of the general part of the Prospectus.

## 2. Investment risks

Investments in transferable securities of emerging market companies are exposed to a variety of risks due inter alia to the fast pace of economic development, low market capitalisation and liquidity, and increased volatility. Political changes, exchange rate shifts, stock exchange regulation, taxes, restrictions on foreign capital investment and capital repatriation, lower levels of government supervision, and less sophisticated legislation may pose additional levels of risk. Accounting and auditing rules may not always conform to accepted local standards. Prospective investors should therefore be aware of all the potential risks and consult their personal investment adviser where necessary. On no account should prospective investors invest all their assets in the Sub-Fund alone. The Board of Directors shall endeavour to minimise these risks by limiting the number of investments and ensuring that any investments made by the Sub-Fund in such markets are appropriately diversified.

Additional risk factors include potential changes in tax legislation. In the majority of cases, issuers have the right to call bonds early in the event of any changes in tax legislation. This may impact significantly on bond value, which may then be restricted to the redemption amount, or intrinsic value (equity exposure) if higher, less a discount for any coupon loss on conversion, or the time risk incurred on the Share price in the period between conversion and receipt of the Shares.

Attention is further invited to the risk that with respect to sub-funds with different currency Share Classes, currency hedging transactions for one Share Class may in extreme cases adversely affect the net asset value of the other Share Classes within the same sub-fund since the single Share Classes do not constitute a legally independent portfolio.

## 3. Currency

The reference currency of the Sub-Fund is the Euro (EUR). The Share Classes have the denominations set out below in Table 1: Share Classes of Man Convertibles Far East.

It is intended to fully hedge, as far as possible, currency fluctuations of all of the non-EUR Share Classes against the EUR by derivative currency hedging transactions. Furthermore, for technical reasons such as changes of value of the Sub-Fund's assets or subscriptions and redemptions of Shares, a temporary divergence of the target hedge ratio cannot be excluded. In addition, the Sub-Fund can hold assets that are denominated in currencies other than EUR, therefore fluctuations in foreign exchange rates can impact performance.

## 4. Stock exchange listing

The Sub-Fund may apply for listing of the Shares of Share Classes of the Sub-Fund on the Luxembourg Stock Exchange. Details regarding the listing of Share Classes are set out below in Table 1: Share Classes of Man Convertibles Far East.

## 5. Shares

The Sub-Fund shall issue Accumulation Shares only.

Fractional Shares will be issued as necessary to three decimal places. In the event that the securities clearing institution, such as Clearstream and Euroclear, cannot process fractional Shares and a down rounding to whole Shares is not accepted by the investor, Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded down to three decimal places. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

## 6. Share Classes

The Sub-Fund includes shares of more than one share class. As of the date of this Prospectus not all share classes are active for investment but some are dormant, details of which can be seen from Table 1: Share Classes of Man Convertibles Far East

below. Dormant Share Classes can be activated if requested by investors subject to the approval by the Board of Directors and if deemed as having no adverse effect on the Sub-Fund and its shareholders. The initial issue price of a Share Class to be activated will be as set out below in Table 1: Share Classes of Man Convertibles Far East. The Board of Directors may determine the details of an initial offering period for the activation of a Share Class, if any.

All of the Share Classes which are active will be widely available and are available for all investors except all Share Classes containing the letter 'I' before the relevant Share Class numbers which are open only for investments by institutional investors. The active Share Classes will be marketed and made available sufficiently widely to reach the intended category of investors in a manner appropriate to attract those categories of investors.

## **7. Net asset value**

Shares in the Sub-Fund shall be issued on the basis of the net asset value applying on a bank business day in Luxembourg (the 'Valuation Day'). The issue price shall be the net asset value of the Share determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section in the general part of the Prospectus, plus a sales commission of up to 5% of net asset value, which is payable to the distribution agent. The issue price must be paid in the reference currency of the relevant Share Class, or in another freely convertible currency, and must be received by the custodian bank in Luxembourg within five bank business days of the receipt of the subscription application at the registered office of the Registrar and Transfer Agent. In the case of direct subscriptions, private individuals orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted. In this case also private individual investors must provide cleared funds to be received by the Custodian no later than on the Valuation Day prior to the Cut-off Time on which their subscription is targeted to be effected. If the issue price is paid in a currency other than the respective reference currency, any costs incurred as a result of converting such currency into the reference currency shall be chargeable to the investor. Shares shall be allocated within five bank business days in Luxembourg following receipt of the issue price by the custodian bank.

Redemptions shall be made at the applicable net asset value (the 'Redemption Price'). The Redemption Price shall be paid out within five Luxembourg bank business days of the Valuation Day at the latest.

## **8. Management Fee**

MI (CH) shall be paid a fee from the Net Sub-Fund Assets of the Sub-Fund equivalent to a rate p.a. in relation to the Share Classes as indicated below in Table 1: Share Classes of Man Convertibles Far East for its Services. Such fee shall be based on the net asset value of Shares, based on average Net Sub-Fund Assets, calculated daily over the calculation period and paid monthly in arrears.

## **9. Administrative and Operating Costs**

The aggregate fees and costs for the Sub-Fund payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent in consideration of services rendered under the Custodian Services Agreement, Fund Administration Services Agreement and Registrar and Transfer Agent agreement are, as of the date hereof, expected not to exceed 0.25% per annum of the Net Sub-Fund Assets (hereinafter collectively referred to as the 'Administrative and Operating Costs') and may vary because such costs are a function of the assets under management by the Sub-Fund and will decrease or increase to the extent the Sub-Fund's assets grow or fall (as the case may be) in total value.

## **10. Minimum transaction amounts**

The minimum transaction amounts applicable to the Share Classes of the Sub-Fund are set out below in Table 1: Share Classes of Man Convertibles Far East.

## **11. Launch of the Sub-Fund**

The Sub-Fund was launched by the issuance of Shares of the 'Class MUS D1 Man Convertibles Far East – EUR Shares' on 5 January 1996.

Past Sub-Fund performance is not indicative of future performance.

## **12. Investor profile**

The Sub-Fund is suitable for medium to long-term investors seeking higher returns. Given the high level of risk involved, the Sub-Fund is only suitable for investors able to sustain significant short-term loss. The Sub-Fund is aimed at investors with an investment horizon of at least two years.

## **13. Global exposure**

In accordance with the Law of 17 December 2010 and the applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of the risk management process, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions on derivatives and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the Sub-Fund.

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

Table 1: Share Classes of Man Convertibles Far East

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D1 Man Convertibles Far East – EUR Shares</b>	LU0061927850	051.117	986 576	Accumulative	Euro (EUR)	Active	Yes	EUR 1'000	EUR 1'000	1 share	1.50%	up to 5% of net asset value	EUR 100
<b>Class MUS I168 Man Convertibles Far East – EUR Shares</b>	LU0686792739			Accumulative	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D197 Man Convertibles Far East – EUR Shares</b>	LU0871786686			Accumulative	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D2 Man Convertibles Far East – CHF Shares</b>	LU0424369766	10109862	A0RNJ5	Accumulative	Swiss franc (CHF)	Active	No	CHF 1'000	CHF 1'000	1 share	1.50%	up to 5% of net asset value	CHF 100
<b>Class MUS I169 Man Convertibles Far East – CHF Shares</b>	LU0686792812			Accumulative	Swiss franc (CHF)	Active	No	CHF 100'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100
<b>Class MUS D198 Man Convertibles Far East – CHF Shares</b>	LU0871786769			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D170 Man Convertibles Far East – USD Shares</b>	LU0686792903			Accumulative	US dollar (USD)	Dormant	n/a	USD 1'000	USD 1'000	1 share	1.50%	up to 5% of net asset value	USD 100
<b>Class MUS I171 Man Convertibles Far East – USD Shares</b>	LU0686793034			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D199 Man Convertibles Far East – USD Shares</b>	LU0871786843			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D172 Man Convertibles Far East – SGD Shares</b>	LU0686793117			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 20'000	SGD 2'000	1 share	1.50%	up to 5% of net asset value	SGD 100
<b>Class MUS I173 Man Convertibles Far East – SGD Shares</b>	LU0686793208			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100
<b>Class MUS D200 Man Convertibles Far East – SGD Shares</b>	LU0871786926			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100

## Appendix 2: Man Convertibles Japan

### 1. Investment objective and policy

The investment objective of Man Umbrella SICAV – Man Convertibles Japan (the ‘Sub-Fund’) is to increase the value of investments in equity-related securities, while providing maximum possible capital security to investors.

In order to achieve this objective, at least two-thirds of the assets of the Sub-Fund shall be invested in convertible bonds, exchangeable bonds, convertible notes, warrant bonds, notes with warrants on transferable securities, mandatory convertible bonds and convertible preference shares issued by issuers the registered office of which is located in or which maintain the bulk of their production or generate a substantial part of their turnover in Japan.

Derivatives may be used for hedging purposes subject to the investment restrictions set out in the ‘General investment guidelines and restrictions’ section in the general part of the Prospectus. Such transactions may include futures on bonds, share indices, interest rate futures, interest rate swaps and forward foreign exchange transactions.

Furthermore, the Sub-Fund may also buy put options on transferable securities, share indices or currencies for hedging purposes.

In addition thereto, the Sub-Fund may also enter into credit derivative transactions, in particular credit default swaps on transferable securities or indices and callable asset swaps in order to hedge credit risks in relation to the assets of the portfolio. The Sub-Fund shall only enter into such transactions with highly rated credit institutions being specialized in such kind of transactions provided that such transactions are carried out in compliance with the provisions set out by the International Swap and Derivatives Association (ISDA). A credit default swap is an agreement pursuant to which one contractual party, the protection buyer, pays in periodic intervals a fee in return for the obligation of the protection seller to make a payment under the condition of the occurrence of a credit event of a reference issuer. The protection buyer acquires the right to sell a specified bond issued by the reference issuer at par value (or at some other reference or strike price determined for such purpose) upon the occurrence of a credit event. Credit events are commonly defined as bankruptcy, insolvency, receivership, debt restructuring involving materially prejudicial consequences, or default.

The use of callable asset swaps enables the Sub-Fund to hedge the credit risk inherent to an underlying instrument, such as convertible bonds or notes, by selling the underlying asset in return for a call option on the underlying. By engaging in such transactions, the Sub-Fund can efficiently manage the risks inherent to the separate components of convertible bonds or notes held in the portfolio.

Finally, the Sub-Fund may use Derivatives for purposes other than hedging, subject to the investment restrictions set out in the ‘General investment guidelines and restrictions’ section in the general part of the Prospectus. In particular, the Sub-Fund may, in specific instances, purchase futures on share indices and call options on transferable securities or share indices. Due to the use of Derivatives for investment purposes, the long investment exposure of the Sub-Fund may exceed 100% of the Sub-Fund’s net assets.

The Sub-Fund will not employ any other techniques and instruments such as securities lending or repurchase or reverse repurchase transactions.

The Sub-Fund shall ensure that the aforementioned transactions are consistently kept at a level that would allow it to meet its obligations to redeem Sub-Fund Shares in full at any time.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out in the section ‘General investment guidelines and restrictions’ of the general part of the Prospectus.



## 2. Investment risks

There is a risk associated with potential changes in tax legislation. In the majority of cases, issuers have the right to call bonds early in the event of any changes in tax legislation. This may impact significantly on bond value, which may then be restricted to the redemption amount, or intrinsic value (equity exposure) if higher, less a discount for any coupon loss on conversion, or the time risk incurred on the Share price in the period between conversion and receipt of the Shares.

In addition, investments in transferable securities of emerging market companies, which are permitted up to one-third of the assets of the Sub-Fund, are exposed to a variety of risks due inter alia to the fast pace of economic development, low market capitalisation and liquidity, and increased volatility. Political changes, exchange rate shifts, stock exchange regulation, taxes, restrictions on foreign capital investment and capital repatriation, lower levels of government supervision, and less sophisticated legislation may pose additional levels of risk. Accounting and auditing rules may not always conform to accepted local standards. Prospective investors should therefore be aware of all the potential risks and consult their personal investment adviser where necessary. On no account should prospective investors invest all their assets in this Sub-Fund alone. The Board of Directors shall endeavour to minimise these risks by limiting the number of investments and ensuring that any investments made by the Sub-Fund in such markets are appropriately diversified.

Attention is further invited to the risk that with respect to sub-funds with different currency Share Classes, currency hedging transactions for one Share Class may in extreme cases adversely affect the net asset value of the other Share Classes within the same sub-fund since the single Share Classes do not constitute a legally independent portfolio.

## 3. Currency

The reference currency of the Sub-Fund is the Euro (EUR). The Share Classes have the denominations set out below in Table 2: Share Classes of Man Convertibles Japan.

It is intended to fully hedge, as far as possible, currency fluctuations of all of the non-EUR Share Classes against the EUR by derivative currency hedging transactions. Furthermore, for technical reasons such as changes of value of the Sub-Fund's assets or subscriptions and redemptions of Shares, a temporary divergence of the target hedge ratio cannot be excluded. In addition, the Sub-Fund can hold assets that are denominated in currencies other than EUR, therefore fluctuations in foreign exchange rates can impact performance.

## 4. Stock exchange listing

The Sub-Fund may apply for listing of the Shares of Share Classes of the Sub-Fund on the Luxembourg Stock Exchange. Details regarding the listing of Share Classes are set out below in Table 2: Share Classes of Man Convertibles Japan.

## 5. Shares

The Sub-Fund shall issue Accumulation Shares only.

Fractional Shares will be issued as necessary to three decimal places. In the event that the securities clearing institution, such as Clearstream and Euroclear, cannot process fractional Shares and a down rounding to whole Shares is not accepted by the investor, Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded down to three decimal places. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

## 6. Share Classes

The Sub-Fund includes shares of more than one share class. As of the date of this Prospectus not all share classes are active for investment but some are dormant, details of which can be seen from Table 2: Share Classes of Man Convertibles Japan below. Dormant Share Classes can be activated if requested by investors subject to the approval by the Board of Directors and

if deemed as having no adverse effect on the Sub-Fund and its shareholders. The initial issue price of a Share Class to be activated will be as set out below in Table 2: Share Classes of Man Convertibles Japan. The Board of Directors may determine the details of an initial offering period for the activation of a Share Class, if any.

All of the Share Classes which are active will be widely available and are available for all investors except all Share Classes containing the letter 'I' before the relevant Share Class numbers which are open only for investments by institutional investors. The active Share Classes will be marketed and made available sufficiently widely to reach the intended category of investors in a manner appropriate to attract those categories of investors.

## **7. Net asset value**

Shares in the Sub-Fund shall be issued on the basis of the net asset value applying on a bank business day in Luxembourg (the 'Valuation Day'). The Valuation Day means any bank business day in Luxembourg. The issue price shall be the net asset value of the Share determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section in the general part of the Prospectus, plus a sales commission of up to 5% of net asset value, which is payable to the distribution agent. The issue price must be paid in EUR, or in another freely convertible currency, and must be received by the custodian bank in Luxembourg within five bank business days of the receipt of the subscription application at the registered office of the Registrar and Transfer Agent. In the case of direct subscriptions, private individuals orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted. In this case also private individual investors must provide cleared funds to be received by the Custodian no later than on the Valuation Day prior to the Cut-off Time on which their subscription is targeted to be effected. If the issue price is paid in a currency other than the EUR, any costs incurred as a result of converting such currency into EUR shall be chargeable to the investor. Shares shall be allocated within five bank business days in Luxembourg following receipt of the issue price by the custodian bank.

Redemptions shall be made at the applicable net asset value (the 'Redemption Price'). The Redemption Price shall be paid out within five Luxembourg bank business days of the Valuation Day at the latest.

## **8. Management Fee**

MI (CH) shall be paid a fee from the Net Sub-Fund Assets of the Sub-Fund equivalent to a rate p.a. in relation to the Share Classes as indicated below in Table 2: Share Classes of Man Convertibles Japan for its Services. Such fee shall be based on the net asset value of Shares, based on average Net Sub-Fund Assets, calculated daily over the calculation period and paid monthly in arrears.

## **9. Administrative and Operating Costs**

The aggregate fees and costs for the Sub-Fund payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent in consideration of services rendered under the Custodian Services Agreement, Fund Administration Services Agreement and Registrar and Transfer Agent agreement are, as of the date hereof, expected not to exceed 0.25% per annum of the Net Sub-Fund Assets (hereinafter collectively referred to as the 'Administrative and Operating Costs') and may vary because such costs are a function of the assets under management by the Sub-Fund and will decrease or increase to the extent the Sub-Fund's assets grow or fall (as the case may be) in total value.

## **10. Minimum transaction amounts**

The minimum transaction amounts applicable to the Share Classes of the Sub-Fund are set out below in Table 2: Share Classes of Man Convertibles Japan.

## **11. Launch of the Sub-Fund**

The Sub-Fund was launched by the issuance of Shares of the 'Class MUS D3 Man Convertibles Japan – EUR Shares' on 14 February 1996.

**Past Sub-Fund performance is not indicative of future performance.**

## **12. Investor profile**

The Sub-Fund is suitable for medium to long-term investors seeking higher returns. Given the high level of risk involved, the Sub-Fund is only suitable for investors able to sustain significant short-term loss. The Sub-Fund is aimed at investors with an investment horizon of at least two years.

## **13. Global exposure**

In accordance with the Law of 17 December 2010 and the applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of the risk management process, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions on derivatives and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the Sub-Fund.

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

Table 2: Share Classes of Man Convertibles Japan

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D3 Man Convertibles Japan – EUR Shares</b>	LU0063949068	426.954	986 577	Accumulative	Euro (EUR)	Active	Yes	EUR 1'000	EUR 1'000	1 share	1.50%	up to 5% of net asset value	CHF 1,000
<b>Class MUS I174 Man Convertibles Japan – EUR Shares</b>	LU0686793380			Accumulative	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D201 Man Convertibles Japan – EUR Shares</b>	LU0851816537			Accumulative	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D175 Man Convertibles Japan – CHF Shares</b>	LU0686793463			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 1'000	CHF 1'000	1 share	1.50%	up to 5% of net asset value	CHF 100
<b>Class MUS I176 Man Convertibles Japan – CHF Shares</b>	LU0686793547			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100
<b>Class MUS D202 Man Convertibles Japan – CHF Shares</b>	LU0851816610			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D177 Man Convertibles Japan – USD Shares</b>	LU0686793620			Accumulative	US dollar (USD)	Dormant	n/a	USD 1'000	USD 1'000	1 share	1.50%	up to 5% of net asset value	USD 100
<b>Class MUS I178 Man Convertibles Japan – USD Shares</b>	LU0686793976			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D203 Man Convertibles Japan – USD Shares</b>	LU0851816701			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D179 Man Convertibles Japan – SGD Shares</b>	LU0686794198			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 20'000	SGD 2'000	1 share	1.50%	up to 5% of net asset value	SGD 100
<b>Class MUS I180 Man Convertibles Japan – SGD Shares</b>	LU0686794271			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100
<b>Class MUS D204 Man Convertibles Japan – SGD Shares</b>	LU0851816883			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100

## Appendix 3: Man Convertibles Europe

### 1. Investment objective and policy

The investment objective of Man Umbrella SICAV – Man Convertibles Europe (the 'Sub-Fund') is to increase the value of investments in equity-related securities, while providing maximum possible capital security to investors.

In order to achieve this objective, at least two-thirds of the assets of the Sub-Fund shall be invested in convertible bonds, exchangeable bonds, convertible notes, warrant bonds, notes with warrants on transferable securities, mandatory convertible bonds and convertible preference shares issued by issuers the registered office of which is located in or which maintain the bulk of their production or generate a substantial part of their turnover in a European and Monetary Union member state or any other European country.

Derivatives may be used for hedging purposes subject to the investment restrictions set out in the 'General investment guidelines and restrictions' section in the general part of the Prospectus. Such transactions may include futures on bonds, share indices, interest rate futures, interest rate swaps and forward foreign exchange transactions. Furthermore, the Sub-Fund may also buy put options on transferable securities, share indices or currencies for hedging purposes.

In addition thereto, the Sub-Fund may also enter into credit derivative transactions, in particular credit default swaps on transferable securities or indices and callable asset swaps in order to hedge credit risks in relation to the assets of the portfolio. The Sub-Fund shall only enter into such transactions with highly rated credit institutions being specialized in such kind of transactions provided that such transactions are carried out in compliance with the provisions set out by the International Swap and Derivatives Association (ISDA). A credit default swap is an agreement pursuant to which one contractual party, the protection buyer, pays in periodic intervals a fee in return for the obligation of the protection seller to make a payment under the condition of the occurrence of a credit event of a reference issuer. The protection buyer acquires the right to sell a specified bond issued by the reference issuer at par value (or at some other reference or strike price determined for such purpose) upon the occurrence of a credit event. Credit events are commonly defined as bankruptcy, insolvency, receivership, debt restructuring involving materially prejudicial consequences, or default.

The use of callable asset swaps enables the Sub-Fund to hedge the credit risk inherent to an underlying instrument, such as convertible bonds or notes, by selling the underlying asset in return for a call option on the underlying. By engaging in such transactions, the Sub-Fund can efficiently manage the risks inherent to the separate components of convertible bonds or notes held in the portfolio.

Finally, the Sub-Fund may use Derivatives for purposes other than hedging, subject to the investment restrictions set out in the 'General investment guidelines and restrictions' section in the general part of the Prospectus. Due to the use of Derivatives for investment purposes, the long investment exposure of the Sub-Fund may exceed 100% of the Sub-Fund's net assets.

In particular, the Sub-Fund may, in specific instances, purchase futures on share indices and call options on transferable securities or share indices.

The Sub-Fund will not employ any other techniques and instruments such as securities lending or repurchase or reverse repurchase transactions.

The Sub-Fund shall ensure that the aforementioned transactions are consistently kept at a level that would allow it to meet its obligations to redeem Sub-Fund Shares in full at any time.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out in the section 'General investment guidelines and restrictions' of the general part of the Prospectus.

## 2. Investment risks

Investments in transferable securities of emerging market companies are exposed to a variety of risks due inter alia to the fast pace of economic development, low market capitalisation and liquidity, and increased volatility. Political changes, exchange rate shifts, stock exchange regulation, taxes, restrictions on foreign capital investment and capital repatriation, lower levels of government supervision, and less sophisticated legislation may pose additional levels of risk. Accounting and auditing rules may not always conform to accepted local standards. Prospective investors should therefore be aware of all the potential risks and consult their personal investment adviser where necessary. On no account should prospective investors invest all their assets in this Sub-Fund alone. The Board of Directors shall endeavour to minimise these risks by limiting the number of investments and ensuring that any investments made by the Sub-Fund in such markets are appropriately diversified.

Furthermore, there is a risk associated with potential changes in tax legislation. In the majority of cases, issuers have the right to call bonds early in the event of any changes in tax legislation. This may impact significantly on bond value, which may then be restricted to the redemption amount, or intrinsic value (equity exposure) if higher, less a discount for any coupon loss on conversion, or the time risk incurred on the Share price in the period between conversion and receipt of the Shares.

Attention is further invited to the risk that with respect to sub-funds with different currency Share Classes, currency hedging transactions for one Share Class may in extreme cases adversely affect the net asset value of the other Share Classes within the same sub-fund since the single Share Classes do not constitute a legally independent portfolio.

## 3. Currency

The reference currency of the Sub-Fund is the Euro (EUR). The Share Classes have the denominations set out below in Table 3: Share Classes of Man Convertibles Europe.

It is intended to fully hedge, as far as possible, currency fluctuations of all of the non-EUR Share Classes against the EUR by derivative currency hedging transactions. Furthermore, for technical reasons such as changes of value of the Sub-Fund's assets or subscriptions and redemptions of Shares, a temporary divergence of the target hedge ratio cannot be excluded. In addition, the Sub-Fund can hold assets that are denominated in currencies other than EUR, therefore fluctuations in foreign exchange rates can impact performance.

## 4. Stock exchange listing

The Sub-Fund may apply for listing of the Shares of Share Classes of the Sub-Fund on the Luxembourg Stock Exchange. Details regarding the listing of Share Classes are set out below in Table 3: Share Classes of Man Convertibles Europe.

## 5. Shares

The Sub-Fund shall issue Accumulation Shares only.

Fractional Shares will be issued as necessary to three decimal places. In the event that the securities clearing institution, such as Clearstream and Euroclear, cannot process fractional Shares and a down rounding to whole Shares is not accepted by the investor, Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded down to three decimal places. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

## 6. Share Classes

The Sub-Fund includes shares of more than one share class. As of the date of this Prospectus not all share classes are active for investment but some are dormant, details of which can be seen from Table 3: Share Classes of Man Convertibles Europe below. Dormant Share Classes can be activated if requested by investors subject to the approval by the Board of Directors and



if deemed as having no adverse effect on the Sub-Fund and its shareholders. The initial issue price of a Share Class to be activated will be as set out below in Table 3: Share Classes of Man Convertibles Europe. The Board of Directors may determine the details of an initial offering period for the activation of a Share Class, if any.

All of the Share Classes which are active will be widely available and are available for all investors except all Share Classes containing the letter 'I' before the relevant Share Class numbers which are open only for investments by institutional investors. The active Share Classes will be marketed and made available sufficiently widely to reach the intended category of investors in a manner appropriate to attract those categories of investors.

## **7. Net asset value**

Shares in the Sub-Fund shall be issued on the basis of the net asset value applying on a bank business day in Luxembourg (the 'Valuation Day'). The Valuation Day means any bank business day in Luxembourg. The issue price shall be the net asset value of the Share determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section in the general part of the Prospectus, plus a sales commission of up to 5% of net asset value, which is payable to the distribution agent. The issue price must be paid in the reference currency of the relevant Share Class, or in another freely convertible currency, and must be received by the custodian bank in Luxembourg within five bank business days of the receipt of the subscription application at the registered office of the Registrar and Transfer Agent. In the case of direct subscriptions, private individuals orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted. In this case also private individual investors must provide cleared funds to be received by the Custodian no later than on the Valuation Day prior to the Cut-off Time on which their subscription is targeted to be effected. If the issue price is paid in a currency other than the respective reference currency, any costs incurred as a result of converting such currency into the reference currency shall be chargeable to the investor. Shares shall be allocated within five bank business days in Luxembourg following receipt of the issue price by the custodian bank.

Redemptions shall be made at the applicable net asset value (the 'Redemption Price'). The Redemption Price shall be paid out within five Luxembourg bank business days of the Valuation Day at the latest.

## **8. Management Fee**

MI (CH) shall be paid a fee from the Net Sub-Fund Assets equivalent to a rate p.a. in relation to the Share Classes as indicated below in Table 3: Share Classes of Man Convertibles Europe for its Services. Such fee shall be based on the net asset value of Shares, based on average Net Sub-Fund Assets, calculated daily over the calculation period and paid monthly in arrears.

## **9. Administrative and Operating Costs**

The aggregate fees and costs for the Sub-Fund payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent in consideration of services rendered under the Custodian Services Agreement, Fund Administration Services Agreement and Registrar and Transfer Agent agreement are, as of the date hereof, expected not to exceed 0.25% per annum of the Net Sub-Fund Assets (hereinafter collectively referred to as the 'Administrative and Operating Costs') and may vary because such costs are a function of the assets under management by the Sub-Fund and will decrease or increase to the extent the Sub-Fund's assets grow or fall (as the case may be) in total value.

## **10. Minimum transaction amount**

The minimum transaction amounts applicable to the Share Classes of the Sub-Fund are set out below in Table 3: Share Classes of Man Convertibles Europe.

## **11. Launch of the Sub-Fund**

The Sub-Fund was launched by the issuance of Shares of 'Class MUS D5 Man Convertibles Europe – EUR Shares', whose net asset value was first calculated on 23 November 2000.

**Past Sub-Fund performance is not indicative of future performance.**

## **12. Investor profile**

The Sub-Fund is suitable for medium to long-term investors seeking higher returns. Given the high level of risk involved, the Sub-Fund is only suitable for investors able to sustain significant short-term loss. The Sub-Fund is aimed at investors with an investment horizon of at least two years.

## **13. Global exposure**

In accordance with the Law of 17 December 2010 and the applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of the risk management process, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions on derivatives and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the Sub-Fund.

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

Table 3: Share Classes of Man Convertibles Europe

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D5 Man Convertibles Europe - EUR Shares</b>	LU0114314536	1.097.919	502 688	Accumulative	Euro (EUR)	Active	Yes	EUR 1'000	EUR 1'000	1 share	1.50%	up to 5% of net asset value	EUR 100
<b>Class MUS I181 Man Convertibles Europe – EUR Shares</b>	LU0686794354			Accumulative	Euro (EUR)	Active	No	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D205 Man Convertibles Europe – EUR Shares</b>	LU0851816966			Accumulative	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D6 Man Convertibles Europe - CHF Shares</b>	LU0424369923	10109867	A0RNJ4	Accumulative	Swiss franc (CHF)	Active	No	CHF 1'000	CHF 1'000	1 share	1.50%	up to 5% of net asset value	CHF 100
<b>Class MUS I182 Man Convertibles Europe – CHF Shares</b>	LU0686794438			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100
<b>Class MUS D206 Man Convertibles Europe – CHF Shares</b>	LU0851817188			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D183 Man Convertibles Europe – USD Shares</b>	LU0686794511			Accumulative	US dollar (USD)	Active	No	USD 1'000	USD 1'000	1 share	1.50%	up to 5% of net asset value	USD 100
<b>Class MUS I184 Man Convertibles Europe – USD Shares</b>	LU0686794867			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D207 Man Convertibles Europe – USD Shares</b>	LU0851817261			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D185 Man Convertibles Europe – SGD Shares</b>	LU0686794941			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 20'000	SGD 2'000	1 share	1.50%	up to 5% of net asset value	SGD 100
<b>Class MUS I186 Man Convertibles Europe – SGD Shares</b>	LU0686795088			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100
<b>Class MUS D208 Man Convertibles Europe – SGD Shares</b>	LU0851817345			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100

## Appendix 4: Man Convertibles Global

### 1. Investment objective and policy

The investment objective of Man Umbrella SICAV – Man Convertibles Global (the ‘Sub-Fund’) is to increase the value of investments in equity-related securities, while providing maximum possible capital security to investors.

In order to achieve this objective, at least two-thirds of the assets of the Sub-Fund shall be invested globally in convertible bonds, exchangeable bonds, convertible notes, warrant bonds, notes with warrants on transferable securities, mandatory convertible bonds and convertible preference shares.

Derivatives may be used for hedging purposes subject to the investment restrictions set out in the ‘General investment guidelines and restrictions’ section in the general part of the Prospectus. Such transactions may include futures on bonds, share indices, interest rate futures, interest rate swaps and forward foreign exchange transactions. Furthermore, the Sub-Fund may also buy put options on transferable securities, share indices or currencies for hedging purposes.

In addition thereto, the Sub-Fund may also enter into credit derivative transactions, in particular credit default swaps on transferable securities or indices and callable asset swaps in order to hedge credit risks in relation to the assets of the portfolio. The Sub-Fund shall only enter into such transactions with highly rated credit institutions being specialized in such kind of transactions provided that such transactions are carried out in compliance with the provisions set out by the International Swap and Derivatives Association (ISDA). A credit default swap is an agreement pursuant to which one contractual party, the protection buyer pays in periodic intervals a fee in return for the obligation of the protection seller to make a payment under the condition of the occurrence of a credit event of a reference issuer. The protection buyer acquires the right to sell a specified bond issued by the reference issuer at par value (or at some other reference or strike price determined for such purpose) upon the occurrence of a credit event. Credit events are commonly defined as bankruptcy, insolvency, receivership, debt restructuring involving materially prejudicial consequences, or default.

The use of callable asset swaps enables the Sub-Fund to hedge the credit risk inherent to an underlying instrument, such as convertible bonds or notes, by selling the underlying asset in return for a call option on the underlying. By engaging in such transactions, the Sub-Fund can efficiently manage the risks inherent to the separate components of convertible bonds or notes held in the portfolio.

Finally, the Sub-Fund may use Derivatives for purposes other than hedging, subject to the investment restrictions set out in the ‘General investment guidelines and restrictions’ section in the general part of the Prospectus. Due to the use of Derivatives for investment purposes, the long investment exposure of the Sub-Fund may exceed 100% of the Sub-Fund’s net assets.

In particular, the Sub-Fund may, in specific instances, purchase futures on share indices and call options on transferable securities or share indices.

The Sub-Fund will not employ any other techniques and instruments such as securities lending or repurchase or reverse repurchase transactions.

The Sub-Fund shall ensure that the aforementioned transactions are consistently kept at a level that would allow it to meet its obligations to redeem Sub-Fund Shares in full at any time.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out in the section ‘General investment guidelines and restrictions’ of the general part of the Prospectus.

## 2. Investment risks

Investments in transferable securities of emerging market companies are exposed to a variety of risks due inter alia to the fast pace of economic development, low market capitalisation, liquidity and increased volatility. Political changes, exchange rate shifts, stock exchange regulation, taxes, restrictions on foreign capital investment and capital repatriation, lower levels of government supervision, and less sophisticated legislation may pose additional levels of risk. Accounting and auditing rules may not always conform to accepted local standards. Prospective investors should therefore be aware of all the potential risks and consult their personal investment adviser where necessary. On no account should prospective investors invest all their assets in this Sub-Fund alone. The Board of Directors shall endeavour to minimise these risks by limiting the number of investments and ensuring that any investments made by the Sub-Fund in such markets are appropriately diversified.

Additional risk factors include potential changes in tax legislation. In the majority of cases, issuers have the right to call bonds early in the event of any changes in tax legislation. This may impact significantly on bond value, which may then be restricted to the redemption amount, or intrinsic value (equity exposure) if higher, less a discount for any coupon loss on conversion, or the time risk incurred on the Share price in the period between conversion and receipt of the Shares.

Attention is further invited to the risk that with respect to sub-funds with different currency Share Classes, currency hedging transactions for one Share Class may in extreme cases adversely affect the net asset value of the other Share Classes within the same sub-fund since the single Share Classes do not constitute a legally independent portfolio.

## 3. Currency

The reference currency of the Sub-Fund is the Euro (EUR). The Share Classes have the denominations set out below in Table 4: Share Classes of Man Convertibles Global.

It is intended to fully hedge, as far as possible, currency fluctuations of the non-EUR Share Classes against the EUR by derivative currency hedging transactions. Furthermore, for technical reasons such as changes of value of the Sub-Fund's assets or subscriptions and redemptions of Shares, a temporary divergence of the target hedge ratio cannot be excluded. In addition, the Sub-Fund can hold assets that are denominated in currencies other than EUR, therefore fluctuations in foreign exchange rates can impact performance.

## 4. Stock exchange listing

The Sub-Fund may apply for listing of the Shares of Share Classes of the Sub-Fund on the Luxembourg Stock Exchange. Details regarding the listing of Share Classes are set out below in Table 4: Share Classes of Man Convertibles Global.

## 5. Shares

The Sub-Fund shall issue Accumulation Shares with the exception of 'Class MUS I164 Man Convertibles Global - EUR Shares' which shall be Income Shares.

Fractional Shares will be issued as necessary to three decimal places. In the event that the securities clearing institution, such as Clearstream and Euroclear, cannot process fractional Shares and a down rounding to whole Shares is not accepted by the investor, Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded down to three decimal places. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

## 6. Share Classes

The Sub-Fund includes shares of more than one share class. As of the date of this Prospectus not all share classes are active for investment but some are dormant, details of which can be seen from Table 4: Share Classes of Man Convertibles Global

below. Dormant Share Classes can be activated if requested by investors subject to the approval by the Board of Directors and if deemed having no adverse effect on the Sub-Fund and its shareholders. The initial issue price of a Share Class to be activated will be as set out below in Table 4: Share Classes of Man Convertibles Global. The Board of Directors may determine the details of an initial offering period for the activation of a Share Class, if any.

All of the Share Classes which are active will be widely available and are available for all investors except all Share Classes containing the letter 'I' before the relevant Share Class numbers which are open only for investments by institutional investors. The active Share Classes will be marketed and made available sufficiently widely to reach the intended category of investors in a manner appropriate to attract those categories of investors.

## **7. Net asset value**

Shares in the Sub-Fund shall be issued on the basis of the net asset value applying on a bank business day in Luxembourg (the 'Valuation Day'). The Valuation Day means any bank business day in Luxembourg. The issue price shall be the net asset value of the Share determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section in the general part of the Prospectus, plus a sales commission of up to 5% of net asset value, which is payable to the distribution agent. The issue price must be paid in the reference currency of the relevant Share Class, or in another freely convertible currency, and must be received by the custodian bank in Luxembourg within five bank business days of the receipt of the subscription application at the registered office of the Registrar and Transfer Agent. In the case of direct subscriptions, private individuals orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted. In this case also private individual investors must provide cleared funds to be received by the Custodian no later than on the Valuation Day prior to the Cut-off Time on which their subscription is targeted to be effected. If the issue price is paid in a currency other than the respective reference currency, any costs incurred as a result of converting such currency into the reference currency shall be chargeable to the investor. Shares shall be allocated within five bank business days in Luxembourg following receipt of the issue price by the custodian bank.

Redemptions shall be made at the applicable net asset value (the 'Redemption Price'). The Redemption Price shall be paid out within five Luxembourg bank business days of the Valuation Day at the latest.

## **8. Minimum transaction amounts**

The minimum transaction amounts applicable to the Share Classes of the Sub-Fund are set out below in Table 4: Share Classes of Man Convertibles Global.

## **9. Management Fee**

MI (CH) shall be paid a fee from the Net Sub-Fund Assets equivalent to a rate p.a. in relation to the Share Classes as indicated below in Table 4: Share Classes of Man Convertibles Global for its Services. Such fee shall be based on the net asset value of Shares, based on average Net Sub-Fund Assets, calculated daily over the calculation period and paid monthly in arrears.

## **10. Administrative and Operating Costs**

The aggregate fees and costs for the Sub-Fund payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent in consideration of services rendered under the Custodian Services Agreement, Fund Administration Services Agreement and Registrar and Transfer Agent agreement are, as of the date hereof, expected not to exceed 0.25% per annum of the Net Sub-Fund Assets (hereinafter collectively referred to as the 'Administrative and Operating Costs') and may vary because such costs are a function of the assets under management by the Sub-Fund and will decrease or increase to the extent the Sub-Fund's assets grow or fall (as the case may be) in total value.

## **11. Launch of the Sub-Fund**

The Sub-Fund was launched by the issuance of Shares of the 'Class MUS D7 Man Convertibles Global – EUR Shares' on 20 March 2006

**The past performance of the Sub-Fund should not be seen as an indication of future investment performance.**

## **12. Investor profile**

The Sub-Fund is suitable for medium to long-term investors seeking higher returns. Given the high level of risk involved, the Sub-Fund is only suitable for investors able to sustain significant short-term loss. The Sub-Fund is aimed at investors with an investment horizon of at least two years.

## **13. Global exposure**

In accordance with the Law of 17 December 2010 and the applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of the risk management process, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions on derivatives and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the Sub-Fund.

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



Table 4: Share Classes of Man Convertibles Global

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D7 Man Convertibles Global - EUR Shares</b>	LU0245991913	2.451.128	A0JJYB	Accumulative	Euro (EUR)	Active	Yes	EUR 1'000	EUR 1'000	1 share	1.50%	up to 5% of net asset value	EUR 100
<b>Class MUS I136 Man Convertibles Global – EUR Shares</b>	LU0623725164	1.305.3322	A1JBF6	Accumulative	Euro (EUR)	Active	No	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS I164 Man Convertibles Global – EUR Shares</b>	LU0626621824	1.306.5370	A1JBF7	Income	Euro (EUR)	Active	No	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D209 Man Convertibles Global – EUR Shares</b>	LU0851817428			Accumulative	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D210 Man Convertibles Global – EUR Shares</b>	LU0851817691			Income	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS I8 Man Convertibles Global - CHF Shares</b>	LU0346428005	3.782.372	A0NG2M	Accumulative	Swiss franc (CHF)	Active	Yes	CHF 1'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D9 Man Convertibles Global - CHF Shares</b>	LU0446913450	10.443.396	A1CW67	Accumulative	Swiss franc (CHF)	Active	Yes	CHF 100'000	CHF 1'000	1 share	1.50%	up to 5% of net asset value	CHF 100
<b>Class MUS D211 Man Convertibles Global - CHF Shares</b>	LU0851817774			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 1'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100
<b>Class MUS D165 Man Convertibles Global – USD Shares</b>	LU0631844205			Accumulative	US dollar (USD)	Dormant	n/a	USD 1'000	USD 1'000	1 share	1.50%	up to 5% of net asset value	USD 100
<b>Class MUS I166 Man Convertibles Global – USD Shares</b>	LU0631844387			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D212 Man Convertibles Global – USD Shares</b>	LU0851817857			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D167 Man Convertibles Global – CAD Shares</b>	LU0631844460			Accumulative	Canadian dollar (CAD)	Dormant	n/a	CAD 1'000	CAD 1'000	1 share	1.50%	up to 5% of net asset value	CAD 100
<b>Class MUS D187 Man Convertibles Global – SGD Shares</b>	LU0686795161			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 20'000	SGD 2'000	1 share	1.50%	up to 5% of net asset value	SGD 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS I188 Man Convertibles Global – SGD Shares</b>	LU0686795245			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100
<b>Class MUS D213 Man Convertibles Global – SGD Shares</b>	LU0851817931			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100

## Appendix 5: Man Convertibles America

### 1. Investment objective and policy

The investment objective of Man Umbrella SICAV – Man Convertibles America (the ‘Sub-Fund’) is to increase the value of investments in equity-related securities, while providing maximum possible capital security to investors.

In order to achieve this objective, at least two-thirds of the assets of the Sub-Fund shall be invested in convertible bonds, exchangeable bonds, convertible notes, warrant bonds, notes with warrants on transferable securities, mandatory convertible bonds and convertible preference shares issued by issuers the registered office of which is located in or which maintain the bulk of their production or generate a substantial part of their turnover in North, Central and South America.

Derivatives may be used for hedging purposes subject to the investment restrictions set out in the ‘General investment guidelines and restrictions’ section in the general part of the Prospectus. Such transactions may include futures on share indices, interest rate futures, interest rate swaps and forward foreign exchange transactions. Furthermore, the Sub-Fund may also buy put options on transferable securities, share indices or currencies for hedging purposes.

In addition thereto, the Sub-Fund may also enter into credit derivative transactions, in particular credit default swaps on transferable securities or indices and callable asset swaps in order to hedge credit risks in relation to the assets of the portfolio. The Sub-Fund shall only enter into such transactions with highly rated credit institutions being specialized in such kind of transactions provided that such transactions are carried out in compliance with the provisions set out by the International Swap and Derivatives Association (ISDA). A credit default swap is an agreement pursuant to which one contractual party, the protection buyer pays in periodic intervals a fee in return for the obligation of the protection seller to make a payment under the condition of the occurrence of a credit event of a reference issuer. The protection buyer acquires the right to sell a specified bond issued by the reference issuer at par value (or at some other reference or strike price determined for such purpose) upon the occurrence of a credit event. Credit events are commonly defined as bankruptcy, insolvency, receivership, debt restructuring involving materially prejudicial consequences, or default. The use of callable asset swaps enables the Sub-Fund to hedge the credit risk inherent to an underlying instrument, such as convertible bonds or notes, by selling the underlying asset in return for a call option on the underlying. By engaging in such transactions, the Sub-Fund can efficiently manage the risks inherent to the separate components of convertible bonds or notes held in the portfolio.

Finally, the Sub-Fund may use Derivatives for purposes other than hedging, subject to the investment restrictions set out in the ‘General investment guidelines and restrictions’ section in the general part of the Prospectus. In particular, the Sub-Fund may, in specific instances, purchase futures on share indices and call options on transferable securities or share indices. Due to the use of Derivatives for investment purposes, the long investment exposure of the Sub-Fund may exceed 100% of the Sub-Fund’s net assets.

The Sub-Fund will not employ any other techniques and instruments such as securities lending or repurchase or reverse repurchase transactions.

The Sub-Fund shall ensure that the aforementioned transactions are consistently kept at a level that would allow it to meet its obligations to redeem Sub-Fund Shares in full at any time.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out in the section ‘General investment guidelines and restrictions’ of the general part of the Prospectus.

### 2. Investment risks

**Investments in transferable securities of emerging market companies are exposed to a variety of risks due inter alia to the fast pace of economic development, low market capitalisation and liquidity, and increased volatility. Political changes, exchange rate shifts, stock exchange regulation, taxes, restrictions on foreign capital investment and capital**

repatriation, lower levels of government supervision, and less sophisticated legislation may pose additional levels of risk. Accounting and auditing rules may not always conform to accepted local standards. Prospective investors should therefore be aware of all the potential risks and consult their personal investment adviser where necessary. On no account should prospective investors invest all their assets in this Sub-Fund alone. The Board of Directors shall endeavour to minimise these risks by limiting the number of investments and ensuring that any investments made by the Sub-Fund in such markets are appropriately diversified.

Additional risk factors include potential changes in tax legislation. In the majority of cases, issuers have the right to call bonds early in the event of any changes in tax legislation. This may impact significantly on bond value, which may then be restricted to the redemption amount, or intrinsic value (equity exposure) if higher, less a discount for any coupon loss on conversion, or the time risk incurred on the Share price in the period between conversion and receipt of the Shares.

Attention is further invited to the risk that with respect to sub-funds with different currency Share Classes, currency hedging transactions for one Share Class may in extreme cases adversely affect the net asset value of the other Share Classes within the same sub-fund since the single Share Classes do not constitute a legally independent portfolio.

### 3. Currency

The reference currency of the Sub-Fund is the US dollar (USD). The Share Classes have the denominations set out below in Table 5: Share Classes of Man Convertibles America.

It is intended to fully hedge, as far as possible, currency fluctuations of all of the non-US Dollar Share Classes against the US Dollar by derivative currency hedging transactions. Furthermore, for technical reasons such as changes of value of the Sub-Fund's assets or subscriptions and redemptions of Shares, a temporary divergence of the target hedge ratio cannot be excluded. In addition, the Sub-Fund can hold assets that are denominated in currencies other than US Dollar (USD), therefore fluctuations in foreign exchange rates can impact performance.

### 4. Stock exchange listing

The Sub-Fund may apply for listing of the Shares of Share Classes of the Sub-Fund on the Luxembourg Stock Exchange. Details regarding the listing of Share Classes are set out below in Table 5: Share Classes of Man Convertibles America.

### 5. Shares

The Sub-Fund shall issue Accumulation Shares only.

Fractional Shares will be issued as necessary to three decimal places. In the event that the securities clearing institution, such as Clearstream and Euroclear, cannot process fractional Shares and a down rounding to whole Shares is not accepted by the investor, Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded down to three decimal places. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

### 6. Share Classes

The Sub-Fund includes shares of more than one share class. As of the date of this Prospectus not all share classes are active for investment but some are dormant, details of which can be seen from Table 5: Share Classes of Man Convertibles America below. Dormant Share Classes can be activated if requested by investors subject to the approval by the Board of Directors and if deemed as having no adverse effect on the Sub-Fund and its shareholders. The initial issue price of a Share Class to be activated will be as set out below in Table 5: Share Classes of Man Convertibles America. The Board of Directors may determine the details of an initial offering period for the activation of a Share Class, if any.

All of the Share Classes below which are active will be widely available and are available for all investors except all Share Classes containing the letter 'I' before the relevant Share Class numbers which are open only for investments by institutional investors. The active Share Classes will be marketed and made available sufficiently widely to reach the intended category of investors in a manner appropriate to attract those categories of investors.

## **7. Net asset value**

Shares in the Sub-Fund shall be issued on the basis of the net asset value applying on a bank business day in Luxembourg (the 'Valuation Day'). The Valuation Day means any bank business day in Luxembourg. The issue price shall be the net asset value of the Share determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section in the general part of the Prospectus, plus a sales commission of up to 5% of net asset value, which is payable to the distribution agent. The issue price must be paid in US dollars, or in another freely convertible currency, and must be received by the custodian bank in Luxembourg within five bank business days of the receipt of the subscription application at the registered office of the Registrar and Transfer Agent. In the case of direct subscriptions, private individuals orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted. In this case also private individual investors must provide cleared funds to be received by the Custodian no later than on the Valuation Day prior to the Cut-off Time on which their subscription is targeted to be effected. If the issue price is paid in a currency other than the US dollar, any costs incurred as a result of converting such currency into US dollars shall be chargeable to the investor. Shares shall be allocated within five bank business days in Luxembourg following receipt of the issue price by the custodian bank.

Redemptions shall be made at the applicable net asset value (the 'Redemption Price'). The Redemption Price shall be paid out within five Luxembourg bank business days of the Valuation Day at the latest.

## **8. Management Fee**

MI (CH) shall be paid a fee from the Net Sub-Fund Assets equivalent to a rate p.a. in relation to the Share Classes as indicated below in Table 5: Share Classes of Man Convertibles America for its Services. Such fee shall be based on the net asset value of Shares, based on average Net Sub-Fund Assets, calculated daily over the calculation period and paid monthly in arrears.

## **9. Administrative and Operating Costs**

The aggregate fees and costs for the Sub-Fund payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent in consideration of services rendered under the Custodian Services Agreement, Fund Administration Services Agreement and Registrar and Transfer Agent agreement are, as of the date hereof, expected not to exceed 0.25% per annum of the Net Sub-Fund Assets (hereinafter collectively referred to as the 'Administrative and Operating Costs') and may vary because such costs are a function of the assets under management by the Sub-Fund and will decrease or increase to the extent the Sub-Fund's assets grow or fall (as the case may be) in total value.

## **10. Minimum transaction amounts**

The minimum transaction amounts applicable to the Share Classes of the Sub-Fund are set out below in Table 5: Share Classes of Man Convertibles America.

## **11. Launch of the Sub-Fund**

The Sub-Fund was launched by the issuance of Shares of the 'Class MUS D10 Man Convertibles America – USD Shares' on 20 March 2006.

**The past performance of the Sub-Fund should not be seen as an indication of future investment performance.**

## **12. Investor profile**

The Sub-Fund is suitable for medium to long-term investors seeking higher returns. Given the high level of risk involved, the Sub-Fund is only suitable for investors able to sustain significant short-term loss. The Sub-Fund is aimed at investors with an investment horizon of at least two years.

## **13. Global exposure**

In accordance with the Law of 17 December 2010 and the applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of the risk management process, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions on derivatives and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the Sub-Fund.

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

Table 5: Share Classes of Man Convertibles America

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D10 Man Convertibles America – USD Shares</b>	LU0246000094	2.451.149	A0JJYC	Accumulative	US dollar (USD)	Active	Yes	USD 1'000	USD 1'000	1 share	1.50%	up to 5% of net asset value	USD 100
<b>Class MUS I189 Man Convertibles America – USD Shares</b>	LU0686795591			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D214 Man Convertibles America – USD Shares</b>	LU0851818079			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 1'000	1 share	0.75%	up to 5% of net asset value	USD 100
<b>Class MUS D190 Man Convertibles America – EUR Shares</b>	LU0686795757			Accumulative	Euro (EUR)	Dormant	n/a	EUR 1'000	EUR 1'000	1 share	1.50%	up to 5% of net asset value	EUR 100
<b>Class MUS I191 Man Convertibles America – EUR Shares</b>	LU0686795831			Accumulative	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D215 Man Convertibles America – EUR Shares</b>	LU0851818152			Accumulative	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 1'000	1 share	0.75%	up to 5% of net asset value	EUR 100



Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D192 Man Convertibles America – CHF Shares</b>	LU0686796052			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 1'000	CHF 1'000	1 share	1.50%	up to 5% of net asset value	CHF 100
<b>Class MUS I193 Man Convertibles America – CHF Shares</b>	LU0686796219			Accumulative	Swiss franc (CHF)	Active	No	CHF 100'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100
<b>Class MUS D216 Man Convertibles America – CHF Shares</b>	LU0851818236			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 1'000	1 share	0.75%	up to 5% of net asset value	CHF 100
<b>Class MUS D194 Man Convertibles America – SGD Shares</b>	LU0686796300			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 20'000	SGD 2'000	1 share	1.50%	up to 5% of net asset value	SGD 100
<b>Class MUS I195 Man Convertibles America – SGD Shares</b>	LU0686797886			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100
<b>Class MUS D217 Man Convertibles America – SGD Shares</b>	LU0851818319			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 2'000	1 share	0.75%	up to 5% of net asset value	SGD 100

## Appendix 6: Man AHL Trend

### 1. Investment objective and strategy

#### *Investment objective*

The Man Umbrella SICAV – Man AHL Trend (hereinafter referred to as the 'Sub-Fund') seeks to achieve medium-term capital growth targeting double digit annualised returns for a target annualised volatility of around 15% over the medium term.<sup>1</sup>

#### *Investment strategy*

In order to achieve its investment objective, the Sub-Fund provides Shareholders with the risk and return characteristics of a systematic, quantitative and primarily directional investment strategy that trades a highly diversified portfolio of futures and forward contracts across a diverse range of global markets.

The Sub-Fund offers access to systematic models that are primarily trend-following in nature, with allocation decisions based on quantitative and predominantly directional processes that analyse price movements in a wide range of instruments across different markets. Based on identified opportunities, such models allocate to a diversified portfolio of futures and forward contracts. Markets accessed include stocks, bonds, currencies, interest rates and commodities (energies, metals and agricultural).

The cornerstone of the investment philosophy is that financial markets experience persistent inefficiencies that take the form of price trends. Trends are a manifestation of serial correlation in financial markets – the phenomenon whereby past price movements influence future price behaviour. Although they vary in their intensity, duration and frequency, price trends are universally recurrent across all sectors and markets.

In order to achieve its investment objective, the Sub-Fund will enter into one or more financial derivative instrument(s) in the form of swaps (the 'Swaps'; as further described under the heading 'General Description of the Swaps' below) which allow variable exposure of the Sub-Fund to a financial index, the AHL Trend Index™ (the 'Index'; as further described under the heading 'General Description of the Index' below).

The Sub-Fund will not employ any other techniques and instruments such as securities lending or repurchase or reverse repurchase transactions.

The Sub-Fund may also (as an alternative to or in combination with the above<sup>2</sup>) invest all or part of the net proceeds of the issue of Shares in transferable securities (including certificates, such as certificates on AHL investment funds pursuing a complementary strategy to the Index) issued by (i) financial institutions or corporates, (ii) sovereign states that are OECD Member States and/or supranational organizations/entities, (iii) special purpose vehicles that are rated (or invested in rated bonds), and/or potentially some cash and/or term deposits with financial institutions, in each case with investment grade ratings

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<sup>1</sup> Mean volatility figures quoted are targets and are based over the medium term using the performance projections of the investment approaches, the target investment exposures and the market interest rates at the time of modelling and therefore may change and be adjusted by the Investment Manager accordingly. In view of the market fluctuations and other risks (as further described under the heading 'Investment Risks' below) there can be no assurance that the Sub-Fund will achieve its investment objective. There is no guarantee of trading performance and past or projected performance is no indication of futures performance.

<sup>2</sup> The Sub-Fund may also, with due regard to the best interest of the Sub-Fund's shareholders, decide during the life of the Sub-Fund to switch partially or totally from one structure to the other in which case the cost of such a switch (if any) will not be borne by the shareholders.

by a recognised rating agency or equivalent long-term credit ratings at the time of the investment, all in accordance with the investment restrictions applicable to UCITS, and the Grand-Ducal Regulation of 8th February 2008, as summarized under the section 'General investment guidelines and restrictions' of the general part of the Prospectus.

The Sub-Fund may also retain amounts in cash and cash equivalents pending reinvestment and pay for any margin requirements for the hedging of foreign currency fluctuations or if this is considered appropriate to the investment objective. Any such investments in liquid instruments will not be held for speculative purposes, but will be ancillary to the primary investment strategy of the Sub-Fund.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out in the section 'General investment guidelines and restrictions' of the general part of the Prospectus.

The Sub-Fund aims to generate capital gains rather than interest.

The Sub-Fund may not invest more than 10% of its Net Sub-Fund Assets in units or stocks of other UCITS or other undertakings of collective investment in order to be eligible for investment by UCITS governed by the UCITS Directive.

The above investments held by the Sub-Fund shall constitute the assets of the Sub-Fund (the 'Sub-Fund Assets').

The Sub-Fund may only borrow up to 10% of its Net Sub-Fund Assets; provided that such borrowing is in particular for covering a cash shortfall caused by mismatched settlement dates on purchase and sale transactions or on a temporary basis to finance repurchases. The Sub-Fund Assets may be charged as security for any such borrowings.

The Sub-Fund will have no maturity date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the general part of the Prospectus and the articles of incorporation of the Fund.

Generally, investments will be realised in compliance with rules and limitations set out in the Law of 17 December 2010, as amended and updated, and in all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, and Grand-Ducal Regulation of 8th February 2008, as summarized under section 'General investment guidelines and restrictions' of the full Prospectus. In addition, the Sub-Fund will not invest more than 10 per cent of its Net Sub-Fund Assets in units of other UCITS or other collective investment undertakings.

## **2. Investment risks**

Details of certain risks associated with an investment in the Sub-Fund are described in the following:

### *(a) Risk factors relating to the Sub-Fund*

The Sub-Fund is not capital protected. The value of investments in the Sub-Fund may fall as well as rise and investors may get back less than they originally invested or even zero. An investment in the Sub-Fund is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may result from such an investment. It should be borne in mind that the risks involved in the types of investment which are included in the Sub-Fund's investment strategy are greater than normally associated with other types of investment, as some of the investments to which the Sub-Fund is indirectly exposed are subject to sudden, unexpected and substantial price movements. All prospective shareholders should carefully consider the investment objective of the Sub-Fund. No assurance can be given that the Sub-Fund's investment objective will be achieved or that the Sub-Fund will generate a positive return. Historical performance is no indication for future performance and the fact that an investment strategy happened to be successful in the past may largely be irrelevant to its prospects for future profitability. Subject to the responsibility, oversight and overall control of the Management Company, the Investment Manager has the full responsibility and discretion, within the limits of the Sub-Fund's investment policy, for the Sub-Fund's investment activities. The Investment Manager is not required to, and will not devote substantially all of its business time to the investment activities of the Sub-Fund. If the Investment Manager were to cease operations such event could have a negative impact on the Sub-Fund and its performance.

Investment results for the different Share Classes may vary substantially over time. This can be related to a variety of factors non-exclusively including corporate action, macro-economic factors and speculation.

Shareholders should be aware that currency fluctuations between the currency of the Share Class and the shareholders' currency of reference may adversely affect the value of their investment in the Sub-Fund.

If the Shares of a Share Class can be subscribed and redeemed in a currency other than the reference currency of the Sub-Fund, which is US dollars (USD), a fluctuation in exchange rates could cause the value of an investment made by shareholders to diminish or increase irrespective of performance and therefore substantially impact the performance of such Share Class expressed in the corresponding Share Class currency. The Investment Manager may seek to mitigate such risks through hedging transactions. To the extent these hedging transactions are imperfect or are only placed over a portion of the foreign exchange exposure, such Share Class will bear the resulting benefit or loss. There is no guarantee that it will be possible to remove all currency exposure. Attention is further invited to the risk that with respect to the different currency Share Classes within the Sub-Fund, currency hedging transactions for one Share Class may in extreme cases adversely affect the net asset value of the other Share Classes within the Sub-Fund since the single Share Classes do not constitute a legally independent portfolio.

The investments of the Sub-Fund will be denominated primarily in US dollars (USD) and any return on such investments will therefore be paid in the same currency. However, the Sub-Fund may also hold assets that are denominated in currencies other than US dollars (USD), and therefore will be exposed to currency risk and fluctuations in foreign exchange rates can impact performance.

The net asset value per Share will differ on each official valuation point as the value of the Sub-Fund's assets will increase or decrease over time principally by reference to the performance of the Swaps and the Index respectively, and as the fees and expenses in relation to the Sub-Fund will accrue over time.

It is not the aim of the Sub-Fund to exactly track the performance of the underlying Index but to achieve an exposure to the Index which matches the targeted volatility. However, such exposure may fluctuate above or below such level and depends on different factors such as fees, transaction costs, subscriptions and redemptions or the exposure chosen under the Swaps. The performance of the Sub-Fund may therefore substantially differ from the performance of the underlying Index.

The Sub-Fund operates within the limits of and complies with the rules by the UCITS directive (No.2009/65/EC of 13 July 2009 as amended). As this directive as well as Luxembourg laws and the laws in jurisdictions where the Sub-Fund may make investments are subject to change there is a risk that the operations of the Sub-Fund are negatively affected by such changes and may even become unlawful because of such changes of law which would consequently lead to the liquidation of the Sub-Fund.

The Sub-Fund is subject to the risk of the insolvency of its counterparties. As substantial part of the Net Sub-Fund Assets can be held directly and indirectly in cash or cash equivalents with one or more financial institutions the Sub-Fund is taking a significant credit and counterparty risk. The Investment Manager may seek to mitigate such risks through adequate diversification within the limits as laid down in the Chapter 6 'Investment Restrictions' of the general part of the Prospectus. As the Sub-Fund may enter into OTC swap transactions this also exposes it to increased credit and counterparty risk which the Investment Manager will aim to mitigate by the collateral arrangements as described in the section headed '(b) Risk factors relating to the Swaps' below.

No assurance can be given that the Investment Manager will be able to obtain appropriate investment opportunities to accommodate future significant increases in the Sub-Fund's assets due to future subscriptions. This may adversely affect the performance of the Sub-Fund because the Investment Manager may not be able to invest all assets of the Sub-Fund in the manner it desires. Especially counterparties may limit the size of the Swaps they are willing to hold with the Sub-Fund and the Investment Manager may not be able to obtain additional counterparties willing to enter into such contracts.

Because of substantial redemptions by Shareholders within a short time period the Investment Manager might be forced to liquidate investments more rapidly than originally expected. Such accelerated liquidation might disrupt the Investment Manager's investment strategy and might have a negative impact on the Sub-Fund's performance.

The Investment Manager of the Sub-Fund receives a performance fee based on the appreciation in the value of the Sub-Funds net assets and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Sub-Fund which are riskier than would be the case in the absence of the performance fee.

The Sub-Fund is daily tradable and a characteristic of frequent dealing by investors is that transaction costs associated with the intention of the Investment Manager to constantly keep the liquidity of the Sub-Fund as well as the Sub-Fund's exposure to the Index up to the required level increase. These costs will dilute the value of the Sub-Fund for existing or remaining shareholders in the long-term, this adverse effect is known as dilution.

#### *(b) Risk factors relating to the Swaps*

The Sub-Fund may invest in one or more Swaps, the return of which may be particularly volatile because such financial derivative instruments derive their value from the value of the Index which is primarily composed of constituents reflecting derivative instruments. Therefore, investors should be experienced with respect to transactions involving the purchase of assets the value of which derives from swap arrangements. Investors should be aware that an investment in the Sub-Fund involves assessing the risk of the swap techniques used to link the value of the Sub-Fund to the value of the Index.

The Swaps are linked to the performance of the Index; however, the value of a respective Swap does not exactly track the value of the Index. Due to various factors, such as fees, collateral costs and the participation of the Swaps to the Index (which may vary in order to achieve the targeted volatility), the performance of the Swaps and the performance of the Index will deviate.

As the Swaps will have a limited term the Sub-Fund will need to re-negotiate the terms and conditions of the Swaps after the expiration of the original term. The agreed terms upon such re-negotiation might be less attractive than the original terms which might have a negative impact on the performance of the Sub-Fund. If the Sub-Fund enters into additional Swaps with new Approved Swap Counterparties the terms of such Swaps have to be negotiated with such party and may deviate from the terms of the initial Swaps.

The Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Fund to the credit of its Approved Swap Counterparties and their ability to satisfy the terms of such contracts. The Sub-Funds may enter into swap arrangements or other derivative techniques, including, for the avoidance of doubt the OTC Swap Transactions, each of which expose the Sub-Fund to the risk that the Approved Swap Counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. The Approved Swap Counterparties will have to post collateral to the Sub-Fund to mitigate such credit and counterparty risk.

Investors should also note that not only will they be exposed to the credit and counterparty risk of the Approved Swap Counterparties but also potential conflicts of interest in the performance of the functions undertaken by such counterparties in respect of the Sub-Fund. In such circumstances, the Approved Swap Counterparties have undertaken to use their reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Sub-Fund and the shareholders are not unfairly prejudiced.

### *(c) Risk factors relating to the Index*

Due to various factors, such as any adjustment to the Index to reflect the replication costs relating to the investable structure of the Index (e.g. prime brokerage expenses, administration and custody fees, foreign exchange hedging etc.) and the allocations to cash or cash equivalents within the Index, the value of the Index on any Valuation Day may differ from the aggregate value of the financial derivative and cash instruments represented by the index components as of such Valuation Day.

Within the Index, the changes in the value of one index component may be offset or increased by fluctuations in the value of other index components.

While pursuing the Index investment objective complex trading systems / programmes or analytical models may be employed. Such trading systems / programmes and analytical models may be fallible which could result in losses.

Through the Swap the Sub-Fund will be exposed to the Index, which itself will be exposed to futures and forward contract and cash instrument risks including, but not limited to the following characteristics.

While the use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. Derivative instruments may be subject to sudden, unexpected and substantial price movements which may be influenced by factors such as interest rates, currency exchange rate and economic and political events which are not predictable. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Unexpected and substantial price movements may lead to substantial fluctuations in the value of the Index.

The Index may contain derivatives of debt securities which will subject the Index to credit, liquidity and interest rate risks. Evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

The Index may contain forward foreign exchange contracts which are contractually binding obligations to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are generally effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by a regulatory authority nor are they guaranteed by an exchange or clearing house. Therefore such transaction is subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and commitments for resale or repurchase, if any, would need to be covered at the then current market price.

The Index may contain derivatives of developing market debt securities, foreign exchange instruments and equities and developing markets stocks and bonds which may lead to additional risks being encountered when compared with investments in developed markets.

The Index may contain short positions which are achieved by short selling which involves agreeing to sell securities at a future date although, at the time of such agreement, the securities to be sold may, or may not, be owned by the seller. The seller may, at times, have to borrow securities of the same type for delivery to the purchaser, with an obligation on the seller to replace any such borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such declines exceed the transaction costs and any costs of borrowing the securities. However, if the borrowed securities must be replaced by purchases at market prices in order to close out a short position, any appreciation in the price of the borrowed

securities would result in a loss. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase. In addition, in some markets there are rules prohibiting short sales at a price below the last sale price, which may prevent the short sales from being executed at the most desirable time.

Derivative products are highly specialized financial instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without there being any opportunity to observe the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to an investment portfolio and the ability to forecast the relative price, interest rate or currency rate movements correctly.

The Index will also be exposed to liquidity risk when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

If the currency of a financial derivative is denominated not in USD such investment may be subject to currency exchange rate movement risk.

The other risks associated with the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, interest rates and indices. Many derivatives are complex and are often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value.

Derivative instruments also carry the risk that a loss may be sustained as a result of the failure of another party to a derivative (usually a counterparty) to comply with the terms of the contract. The counterparty risk for exchange-traded derivatives is generally less than for privately negotiated, over-the-counter derivatives ('OTC Derivatives'), since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of settlement and execution. As OTC Derivatives are not traded on a regulated market they are not standardised and counterparties have to negotiate the composition of such derivatives in detail which involves error risks. As there is no standardised market OTC Derivatives are also significantly less liquid than exchange traded derivatives and there is less governmental regulation and supervision in the OTC markets compared to regulated markets. In addition, the use of credit derivatives (credit default swaps and credit linked notes) carries the risk of a loss arising if one of the entities underlying the credit derivative defaults.

There are special risk considerations associated with an underlying of OTC Derivatives of which the performance is linked directly or indirectly to the types of securities or assets which are described hereafter. The degree of exposure to such factors will depend on the precise way in which an underlying OTC Derivative is linked to such assets. For futures, options or other derivative contracts this depends on the nature of the underlying assets, reference rates or other derivatives to which they relate and on the liquidity in the relevant contract, the prices of such instruments may be highly volatile and hence risky in nature. Prices of commodity indices and energy indices are influenced by, among other things, various macro-economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events. Exposure to emerging markets assets generally entails greater risks than exposure to well-developed markets, including potentially significant legal economic and political risks. Emerging markets are by definition 'in transformation' and are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases both political and economic instability has occurred. Political or economic instability may affect investor's confidence, which could in turn have negative impact on the prices of emerging market exchange rates, securities or other assets. The prices of emerging market exchange rates, securities or other assets are often highly volatile. Movements in such prices are influenced by, among other things, interest rates, changing market supply and demand, external market forces (particularly in relation to major trading partners), trade, fiscal,



monetary programmes, policies of governments, and international political and economic events and policies. In emerging markets, the development of securities markets usually is at an early stage. This could lead to risks and practises (such as increased volatility) that are not common in more developed securities markets, which may negatively affect the value of securities listed on the exchanges of such countries. In addition, markets of emerging market countries are often characterised by illiquidity in the form of low turnover of some of the listed securities. It is important to note that, during times of global economic slowdown, emerging market exchange rates, securities and other assets are more likely than other forms of investment with lower risk to be sold during and 'flight to quality', and their value may decrease accordingly.

There is no assurance that an underlying of OTC Derivatives will continue to be calculated and published or that it will not be amended significantly. Any change to the underlying of OTC Derivatives may adversely affect the value of such derivative. The past performance of an underlying of OTC Derivatives is not necessarily a guide to its future performance. Where an underlying of OTC Derivatives consist of an index it will not be actively managed and the selection of the component indices, assets or securities will be made in accordance with the relevant index composition rules and eligibility criteria and not by reference to any performance criteria or performance outlook. Accordingly, the composition of the index is not designed to follow recommendations or research reports issued by the index sponsor, its affiliates or any other person.

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.

Derivative markets are constantly evolving following macro-economic developments and financial innovations by creation of new financial instruments and subsequent abolishment of others. Such developments and the general demand from market participants increase or decrease the capacity of derivative markets. Therefore a potential investor in derivatives might not be able to make such investment because of a lack of market capacity. Also an investment in a small market can be detrimental as the investment itself might be able to move the market significantly instead of profiting from market movements.

As substantial part of the Index can be exposed directly or indirectly to cash or cash equivalents the Index also bears a significant credit and counterparty risk of one or more financial institutions.

For all these reasons, investing directly or indirectly in derivative and cash instruments is generally considered to be risky. If the instruments underlying the Index do not perform, the value of the Index, and consequently the value of the Sub-Fund may fall substantially.

### **3. Currency**

The reference currency of the Sub-Fund is the US dollar (USD). The Share Classes of the Sub-Fund have the denominations set out below in Table 6: Share Classes of Man AHL Trend.

It is intended to hedge as far as practically possible currency fluctuations of all of the non-US dollar Share Classes against the US dollar by derivative currency hedging transactions. However, in order to avoid excessive collateral, a total hedging cannot be sought. Furthermore, for technical reasons such as changes of value of the Sub-Fund's assets or subscriptions and redemptions of Shares, a temporary divergence from the targeted hedge ratio cannot be excluded.

### **4. Stock exchange listing**

The Sub-Fund may apply for a listing on the Luxembourg Stock Exchange for some or all of the Share Classes in the Sub-Fund. Details regarding the listing of Share Classes are set out below in Table 6: Share Classes of Man AHL Trend.



## 5. Shares

The Sub-Fund shall only issue Accumulation Shares. An exception is made for the dividend share classes as described below.

Fractional Shares will be issued as necessary to three decimal places. In the event that the securities clearing institution, such as Clearstream and Euroclear, cannot process fractional Shares and a down rounding to whole Shares is not accepted by the investor, Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded down to three decimal places. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

## 6. Share classes

The Sub-Fund includes shares of more than one share class. As of the date of this Prospectus not all share classes are active for investment but some are dormant, details of which can be seen from Table 6: Share Classes of Man AHL Trend below. Dormant Share Classes can be activated if requested by investors subject to the approval by the Board of Directors and if deemed having no adverse effect on the Sub-Fund and its shareholders. The initial issue price of a Share Class to be activated will be as set out below in Table 6: Share Classes of Man AHL Trend. The Board of Directors may determine the details of an initial offering period for the activation of a Share Class, if any.

All of the Share Classes which are active will be widely available and are available for all investors except all Share Classes containing the letter 'I' before the relevant Share Class numbers which are open only for investments by institutional investors. The active Share Classes will be marketed and made available sufficiently widely to reach the intended category of investors in a manner appropriate to attract those categories of investors. The Class MUS D133 Man AHL Trend – EUR Shares is restricted to Italian domiciled investors subscribing via Italian paying agents which are approved by the Fund.

### *Dividend share classes*

For the share classes Class MUS D159 Man AHL Trend – EUR Shares, Class MUS D160 Man AHL Trend – EUR Shares and Class MUS D161 Man AHL Trend – EUR Shares (each a 'Dividend Share Class') special terms apply. Upon launch of a Dividend Share Class the Board of Directors will determine a fixed annual dividend, expressed as a percentage of the initial issue price, to be paid by such share class for a fixed period of time ('Dividend Period'). The fixed dividend amount will be published on [www.man.com](http://www.man.com). The first dividend will be paid seven business days after the first anniversary of the relevant Dividend Share Class's launch date and on the same date in subsequent calendar years. The Board of Directors may decide not to pay a dividend if such payment would reduce a Dividend Share Class's size to a level which is not economically viable.

A Dividend Share Class will only be open for subscriptions during an initial offer period determined by the Board of Directors. No subscriptions will be accepted during a Dividend Period. After the end of a Dividend Period each Dividend Share Class will be open for subscription for a limited period of time as determined by the Board of Directors and will be closed again for subscriptions until the end of the following Dividend Period. The Board of Directors will determine a new fixed dividend, the new Dividend period and the payment details. This operation cycle continues until otherwise determined by the Board of Directors.

For the avoidance of doubt, redemptions for Shares of a Dividend Share Class will be processed in line with all other of the Sub-Fund's share classes as described below. Fees (sales commission, management fee, performance fee and administration costs) are applied as per the Sub-Fund's standards. Additional fees may be charged to account for the costs of the dividend payment.

After the end of each Dividend Period the Board of Directors may in its sole discretion decide to either liquidate the relevant Dividend Share Class or convert the shares into shares of Class MUS D19 Man AHL Trend – EUR Shares if the assets of such share class are not considered sufficient to be economically viable.

## 7. Net asset value

The net asset value per Share of each Share Class in the Sub-Fund will be determined as of each day which is a Business Day (a 'Valuation Day') in the applicable Share Class currency. 'Business Day' means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London, Luxembourg, and New York City and/or such days as the Board of Directors shall from time to time determine. Following any determination as aforesaid, and for the avoidance of doubt, the Board of Directors will from time to time publish a dealing calendar on [www.man.com](http://www.man.com) which will set out the Sub-Fund's annual Business Days. The net asset value of the Shares in the Sub-Fund as at the Valuation Day shall be calculated and published on the next following Business Day (a 'Calculation Day'). In exceptional circumstances (e.g. unforeseen delays in the calculation process) the net asset value may only be calculated and published two Business Days after the Valuation Day.

### *Issue and redemption of shares*

Subscription and redemption requests (the 'Orders') can be made for a number of Shares or cash amounts equal to or greater than the minimum investment as further described below under the heading 'Minimum investment'. In the case of direct subscriptions by private individuals Orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted.

Special terms apply for share classes denominated in CNY. Subscriptions and redemptions of those share classes are settled in EUR. Orders for cash amounts for share classes denominated in CNY shall be made in EUR.

The issue price and the redemption price shall be the net asset value per Share as per the Valuation Day immediately preceding the relevant Calculation Day determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section of the general part of the Prospectus, plus a sales commission of up to 5% of the net asset value per share which is payable to the distribution agent in relation to subscriptions.

For the issue and redemption price of Class MUS D133 Man AHL Trend – EUR Shares special terms apply. The issue price shall be the net asset value per Share as per the Valuation Day immediately preceding the relevant Calculation Day determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section of the general part of the Prospectus, plus a sales commission of up to 2% of the net asset value per share which is payable to the distribution agent. The redemption price for this share class is subject to the deduction of redemption fees as per the schedule below which are deducted from the redemption proceeds by the relevant Italian paying agent.

Class MUS D133 Man AHL Trend – EUR Shares redeemed on a Valuation Day before they have been in issue for	Redemption Fee Amount
Two years	4%
Four years	3%
Six years	1%

There will be no redemption fees imposed on shares which are redeemed after they have been in issue for six years.

### *Processing of subscriptions and redemptions*

As the Sub-Fund is open for investment on every Business Day, Shares in the relevant Share Class in the Sub-Fund may be subscribed for or redeemed on each Valuation Day (which is also the Dealing Day for this Sub-Fund).

Orders need to be received by the Registrar and Transfer Agent on a Valuation Day prior to the Cut-off Time in order for such orders to be processed for such Valuation Day and on the basis of the net asset value per Share that corresponds to the Valuation Day which is calculated on the immediately following Calculation Day. Orders received by the Registrar and Transfer Agent after the applicable Cut-off Time on a Valuation Day shall be deemed to be received on the next following Valuation Day and will be processed on the next following Calculation Day.

The standard settlement period for subscriptions and redemption is within three Business Days following the relevant Calculation Day. In the case of direct subscriptions private individual investors must provide cleared funds to be received by the Custodian no later than on the relevant Valuation Day prior to the Cut-off Time. Full payment instructions may be obtained through the Registrar and Transfer Agent.

When subscribing, investors must make payment in the currency of the relevant Share Class save for share classes denominated in CNY. Payments for share classes denominated in CNY must be made in EUR. In addition, investors may subscribe in another freely convertible currency. The Registrar and Transfer Agent will arrange for any necessary currency transaction to convert the subscription monies into the currency of the relevant Share Class. Any such currency transaction will be effected with the Registrar and Transfer Agent at the investor's risk and cost. Such currency exchange transactions may delay the subscription process.

No Shares will be issued or redeemed by the Sub-Fund during any period in which the calculation of the net asset value per Share is suspended. Orders made or pending during such suspension may be withdrawn by notice in writing received by the Registrar and Transfer Agent prior to the end of such suspension period. Orders that are not withdrawn will be considered on the first Valuation Day immediately following the end of such suspension period.

As provided for in the general part of the Prospectus, the Fund may resolve to redeem Shares of the Sub-Fund only when sufficient assets have been sold and the proceeds thereof have been received, in case of a large volume of redemption applications being received in respect of the Sub-Fund, having regard to the overall interests of shareholders of the Sub-Fund.

#### *Processing of conversions*

Conversions of Shares of the Sub-Fund into Shares of another sub-fund or of Shares of another sub-fund into Shares of the Sub-Fund are not possible. This shall however not affect the possibility for shareholders to convert Shares of one Share Class into Shares of another Share Class within the Sub-Fund. Conversions are not permitted for Class MUS D133 Man AHL Trend – EUR Shares.

### **8. Fees and expenses**

Details of certain fees and expenses associated with an investment in the Sub-Fund may be found in the general part of the Prospectus. Thus, this section should be read in conjunction with the section headed 'Fees and Expenses' in the general part of the Prospectus.

#### *Management fee*

A management fee equivalent to a rate p.a. in relation to the Share Classes as indicated below in Table 6: Share Classes of Man AHL Trend (the 'Management Fee') shall be calculated prior to the deduction of the Management Fee and the Performance Fee, accrued as at each Valuation Day, and paid from the Net Sub-Fund Assets of the respective Share Class of the Sub-Fund. The Management Fee covers marketing advisory services of Man Investments AG, fees of distributors, and the investment services of the Investment Manager. The Management Fee will be paid monthly in arrears.

### *Performance fee*

A weekly performance fee (the 'Performance Fee') will be calculated and accrued as at each Valuation Day at a rate of up to 20% of the Net New Appreciation attributable to each Share Class. The Performance Fee period is the period from the last time a Performance Fee was payable up to and including the first Valuation Day of each calendar week (the 'Performance Fee Day').

'Net New Appreciation' means the amount, if any, by which the net asset value of each Share Class (prior to the reduction of any accrued Performance Fee but after the reduction of any Performance Fees payable due to shareholder redemptions) at the end of the relevant Performance Fee period exceeds the High Water Mark (as defined below).

'High Water Mark', calculated as at each Valuation Day, means the net asset value of each Share Class as of the most recent Performance Fee Day where a Performance Fee was paid by such relevant Share Class. The High Water Mark for each share class will be reduced pro rata by the amount of redemptions, dividends and distributions and then increased by the amount of any subscriptions on each Valuation Day within the relevant performance fee period. For the purpose of calculating the Performance Fee, the net asset value of each Share Class will be calculated prior to reduction for any accrued Performance Fee. The Central Administrative Agent (in consultation with the Investment Manager) may also make related adjustments to the High Water Mark for the purpose of determining the High Water Mark to account for any other changes caused by subscriptions, redemptions, dividends, distributions, and other similar events.

Calculated and accrued on each Valuation Day but payable weekly, performance fees are liabilities in the relevant Share Class' accounts and incorporated into the official net asset value of the relevant Share Class. If a shareholder redeems Shares part way through the relevant Performance Fee period, a pro rata portion of the accrued performance fee liability at the immediately preceding Valuation Day shall become immediately due and payable.

If the appointment of the Investment Manager is terminated during a Performance Fee period, any accrued Performance Fees on the final Valuation Day will be calculated and paid as if the final Valuation Day was the end of the relevant Performance Fee period.

Please note that the Performance Fees payable by each of the Sub-Fund's Share Classes shareholder may not correspond to the performance of the relevant Share Class. This is because the Sub-Fund is not calculating the Performance Fees using an equalisation or series accounting methodology. As a result, daily dealing in the Sub-Fund's Share Classes may have a positive or negative impact on the Performance Fee borne by shareholders.

Any Performance Fees payable in respect of Performance Fee periods are paid monthly in arrears to the Man Investments AG who will forward a significant part of it to the Investment Manager for its services.

### *Administrative and Operating costs*

The aggregate fees and costs for the Sub-Fund payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent in consideration of services rendered under the Custodian Services Agreement, Fund Administration Services Agreement and Registrar and Transfer Agent agreement are, as of the Launch Date, expected not to exceed 0.20% per annum of the Net Sub-Fund Assets (hereinafter collectively referred to as the 'Administrative and Operating Costs') and may be significantly lower because such costs will vary as a function of the assets under management by the Sub-Fund and will decrease to the extent the Sub-Fund's assets grow in total value. For the avoidance of doubt, any other fee not attributable only to the Sub-Fund or tax payable by the Sub-Fund or on any assets of the Sub-Fund is described separately under the heading 'Fees and Expenses' in the general part of this Prospectus.

## **9. Launch of the Sub-Fund**

The Sub-Fund was launched on 21 July 2009 (the 'Launch Date') by the issuance of Shares of the 'Class MUS D19 Man AHL Trend - EUR Shares'.

## 10. Investor profile

The Sub-Fund is suitable for medium to long-term investors seeking risk-controlled returns. Given the high level of risk involved, the Sub-Fund is only suitable for investors able to sustain significant short-term loss and with a medium-term investment horizon.

The Sub-Fund is aimed at investors as set out for each Share Class above under the heading 'Share classes'.

**The past performance of this Sub-Fund should not be seen as an indication of future investment performance.**

## 11. Global exposure

In accordance with the Law of 2010 and the applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority ('ESMA'), the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of this risk-management process, the global exposure of the Sub-Fund is measured and controlled by the absolute Value at Risk approach.

In financial mathematics and financial risk management, the Value at Risk ('VaR') is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the investment portfolio over the given time horizon exceeds this value (assuming normal market conditions and no trading in the investment portfolio) is the given probability level.

The Sub-Fund's VaR is limited by an absolute VaR calculated on the basis of the net asset value of the Sub-Fund and not exceeding a maximum VaR limit determined by the Management Company taking into account the investment policy and the risk profile of the Sub-Fund.

### *Leverage*

In addition to measure and control the global exposure of the Sub-Fund by the absolute Value at Risk approach, the Sub-Fund assesses the level of leverage generated by the use of financial derivative instruments in accordance with the Law of 2010 and the applicable regulations, including circulars and other publications of the CSSF and ESMA. The expected level of leverage using the methodology of the sum of the notionals for derivatives is 134%, based on the net asset value of the Sub-Fund. However, since for this Sub-Fund derivative instruments, other than the Swaps, are mainly used for the purpose of mitigating FX risk on the non-USD denominated share classes (usually via FX forward arrangements), the overall leverage and risk of the Sub-Fund may be overestimated since the methodology does not take into account any netting arrangements. The expected level of leverage using the commitment approach, which methodology allows netting arrangements, is 34%. Under certain circumstances, the level of leverage might exceed the before mentioned levels, but is not expected to exceed 150% using the sum of the notionals approach and 50% using the commitment approach.

## 12. Minimum level for the Sub-Fund to be operated in an economically efficient manner

The Board of Directors may in its full discretion decide to introduce a minimum amount which is generally considered to be the minimum level for the Sub-Fund to be operated in an economically efficient manner.

## 13. Minimum investment

The minimum investment requirements, the minimum increment for additional investments of existing Shareholders and the minimum redemption amount required for each Share Class are set out below in Table 6: Share Classes of Man AHL Trend.

The minimum investment and increment amounts are subject to the discretion of the Board of Directors as lesser amounts can be accepted. In case the value of a shareholder's investment has decreased to an amount below the minimum redemption amount shown in the table above, the Shareholder shall be entitled to redeem such lower amount in total.

Notwithstanding the aforementioned, a monthly investment plan (the 'Plan') is available for the Share Classes listed in the table below through distribution agents to enable an investor to build up a holding of Shares by regular monthly payments of at least the following investment amounts without making the normal lump sum minimum investment:

Share Class	Minimum Investment Amount
Class MUS D19 Man AHL Trend - EUR Shares	EUR 50
Class MUS D133 Man AHL Trend – EUR Shares	EUR 50
Class MUS D21 Man AHL Trend - USD Shares	USD 50
Class MUS D22 Man AHL Trend - CHF Shares	CHF 50
Class MUS D23 Man AHL Trend - GBP Shares	GBP 50
Class MUS D24 Man AHL Trend - CAD Shares	CAD 50
Class MUS D25 Man AHL Trend - DKK Shares	DKK 500
Class MUS D26 Man AHL Trend - NOK Shares	NOK 500
Class MUS D27 Man AHL Trend - SEK Shares	SEK 500
Class MUS D28 Man AHL Trend - CZK Shares	CZK 1,000
Class MUS D29 Man AHL Trend - PLN Shares	PLN 250
Class MUS D30 Man AHL Trend - SGD Shares	SGD 100
Class MUS D31 Man AHL Trend - HKD Shares	HKD 500
Class MUS D132 Man AHL Trend – ILS Shares	ILS 250
Class MUS D137 Man AHL Trend – CNY Shares	EUR 50
Class MUS D156 Man AHL Trend – AUD Shares	AUD 50
Class MUS D157 Man AHL Trend – KRW Shares	KRW 100'000
Class MUS D158 Man AHL Trend – TRY Shares	TRY 1,000

## 14. General Description of the Swaps

### *Use of the Swap*

The Fund on behalf of the Sub-Fund will enter into one or more financial derivative instrument(s) in the form of swaps (the 'Swaps') in order to gain exposure to the Index to the extent as required to achieve the targeted volatility. In order to target such volatility the participation of the Swap to the Index may vary over time but is not expected to exceed 100%. The Swaps will be entered into with first class financial institutions acting as swap counterparties selected at the choice and discretion of the Sub-Fund (the 'Approved Swap Counterparty').

The Sub-Fund may select and enter into one of the following types of swaps, which can change over time, in accordance with the advice of the Investment Manager and, at all times, on an arm's length basis and in the best interest of the Shareholders:

In the case of unfunded swaps the Sub-Fund will (i) invest a portion of its net asset value into any eligible assets in accordance with the applicable investment restrictions as defined in the section entitled 'General investment guidelines and restrictions' in the general part of the Prospectus and (ii) enter into a total return swap with an Approved Swap Counterparty whereby such counterparty will be paid the performance of such eligible asset (e.g. LIBOR + 1 %) and the Sub-Fund will receive a performance linked to the Index in exchange (the 'Unfunded Swap'). The purpose of such Unfunded Swap is to exchange all or a part of the returns of the Sub-Fund's assets against the performance linked to the Index. Accordingly, the Sub-Fund is not, and ultimately the Shareholders are not entitled to receive income due and received from the Sub-Fund's assets to the extent they are used for an Unfunded Swap.

In the case of funded swaps the Sub-Fund will invest a portion of its net asset value in one or more derivative contracts in the form of funded swaps (the 'Funded Swap' and together with the Unfunded Swaps, the 'OTC Swap Transactions' or 'Swaps', as the case may be) entered into with an Approved Swap Counterparty. The purpose of a Funded Swap is to exchange an initial capital amount against the performance linked to the Index.

Since the launch of the Sub-Fund, the Funded Swap option has been chosen.

The Fund on behalf of the Sub-Fund and the Approved Swap Counterparties will enter into a derivatives master agreement and the relevant annex and confirmations, as applicable, which will govern the OTC Swap Transactions. The Investment Manager may, on a daily basis, adjust the notional amount of the relevant OTC Swap Transaction with a view to rebalance the exposure to such transaction and the Index respectively following the issuance or redemption of shares in the Sub-Fund and performance of the Sub-Fund's assets.

The Sub-Fund will use certain cash flows received under the terms of a Swap to cover the Fees and Expenses as described in the section headed 'Fees and Expenses' in this Appendix.

The pricing of OTC Swap Transactions will be performed independently of the trading desk of the Approved Swap Counterparties.

When applying the applicable investment restrictions as defined in the section entitled 'General investment guidelines and restrictions' in the general part of the Prospectus to OTC Swap Transactions, reference should be made to the counterparty risk exposure. Thus, the counterparty risk of the Sub-Fund's OTC swap transactions will be reduced by causing the Approved Swap Counterparties to deliver to the Sub-Fund eligible collateral in accordance with applicable laws and regulations concerning the use of a method for the management of financial risks, as well as the use of derivative financial instruments. Such collateral will be kept by a first class financial institution and shall be enforceable by the Fund for the account of the Sub-Fund at all times and will be marked to market on a daily basis. In addition, the Approved Swap Counterparties may be also requested to deliver to the Sub-Fund collateral other than the regulatory collateral on an arm's length basis and in the best interest of the Shareholders.



### *Fees and Expenses*

The following fees and expenses will be incurred directly and indirectly by the Sub-Fund in connection with the OTC Swap Transactions and will affect the net asset value of the Sub-Fund.

In consideration for the licensing of the Index to the Approved Swap Counterparties, the Approved Swap Counterparties shall pay to the Index Sponsor a licence fee, calculated and accrued daily by reference to the value of the Swap multiplied by an exposure factor and is, as of the date of this Prospectus, expected to equate up to approx. 1% per annum of the net asset value of the Sub-Fund, and such accrual to be deducted from the value of the Swap on a daily basis, and paid monthly in arrears to the Index Sponsor.

The Approved Swap Counterparties shall be entitled to a swap fee for arranging and providing the Swap, calculated and accrued daily by reference to the value of the Swap and which, as of the date of this Prospectus, is expected to equate to less than 0.25% per annum of the Net Sub-Fund Assets. Such accrual will be deducted from the value of the Swap on a daily basis, and paid monthly in arrears to the Approved Swap Counterparties. The swap fee may be reviewed and is subject to change once the respective OTC Swap Transaction is renegotiated or expires, or if additional OTC Swap Transactions are entered into between the Fund on behalf of the Sub-Fund and existing or new Approved Swap Counterparties, as the case may be.

The Sub-Fund bears directly and indirectly all costs in relation to the posting of the collateral provided by the Approved Swap Counterparties and the return of any reinvestment of cash collateral reinvestment. If there is a mismatch between the interest earned by the Sub-Fund on any posted cash collateral and the collateral costs, the Sub-Fund will be charged directly or indirectly such costs. However, the Investment Manager will use its reasonable efforts to minimise the collateral cost as far as possible in the interest of the Sub-Fund and its Shareholders.

### **15. General Description of the Index**

This section is a brief overview of the Index sponsored by Man Investments AG (the 'Index Sponsor'), the AHL Trend Index™. It contains a summary of the principal features of the Index but is not a complete description of the Index. This section must be read in conjunction with the 'General Index Rules' governing the construction and the management of the Index which can be obtained at the registered office of the Fund or from the Index website [www.man.com/ahl-trend-index](http://www.man.com/ahl-trend-index).

The Index is an investable financial index which is constructed and managed in an objective and transparent manner and offers access to a highly diversified universe of contracts of forward delivery (futures and forward contracts) across a broad range of sectors.

The Index adheres to the following criteria:

- Adequate representation of the defined universe of globally traded futures and forward contracts
- Highly diversified composite of individual contracts across a diverse range of global markets
- Wide and timely disclosure of material information on the Index construction, calculation and rebalancing methodology
- Disciplined, rules-based selection process for components to be included in the Index

### *Index objective and design*

The objective of the Index is to replicate the risk and return characteristics of a systematic, quantitative and primarily directional investment strategy that trades a highly diversified portfolio of futures and forwards contracts across a diverse range of global markets.

To achieve its objective, the Index offers access to systematic models which are primarily trend-following in nature with allocation decisions based on quantitative and directional processes that analyse price movements in a wide range of instruments across in different markets. Based on identified opportunities, such models allocate to a diversified portfolio of



futures and forwards contracts. Markets accessed include stocks, bonds, currencies, interest rates and commodities (energies, metals and agriculturals). The Index can also be exposed to cash or cash equivalents.

The Index is designed to target specific levels of volatility or risk. The highly diversified nature of the Index means that each component within the Index is allocated a small proportion of risk capital, which helps to diversify and thereby reduce risk.

The reference currency of the Index is the US Dollar (USD).

#### *Index construction and management*

The Index Sponsor has appointed Man Investments Limited (the 'Index Management Agent') to maintain and evolve the rules for the construction of the Index and to ensure that a consistent approach is applied when selecting the components to be included in the Index.

The Index components are determined by the application of an on-going selection process to ensure satisfaction that each instrument meets the eligibility criteria, i.e. can be drawn as a component for inclusion in the Index. To select the components for inclusion in the Index, the Index Management Agent has designed a proprietary methodology that forms the basis of a disciplined, rules-based selection process which is twofold:

##### Classification:

The universe of possible components within the Index encompasses contracts of forward delivery across a broad range of sectors. The Index will comprise the following sectors:

- Stocks
- Bonds
- Currencies
- Commodities (energies, metals and agriculturals)
- Interest rates

##### Qualification:

Out of the full universe of futures and forward contracts, individual contracts can only be drawn as a component for inclusion in the Index if they meet certain selection criteria. These selection criteria are reviewed by the Index Management Agent to check if the instruments possess all the necessary attributes to be included in the Index:

- Priced intra-day by an independent third party
- Tradable through more than one counterparty
- Sufficiently liquid with high trading volume and open interest
- Acceptable level of risk and correlation

A rule that at least 90% of the Index should be allocated to eligible contracts fulfilling the selection criteria above is applied. According to this rule, a maximum of 10% of the Index can be allocated to instruments which do not fulfil the requirements above.

Following the selection of the index constituents through Classification and Qualification, the Index Management Agent employs a proprietary allocation model (the 'Allocation Model') in order to determine the allocations to the Index components, subject to compliance with pre-defined composition restrictions. The Allocation Model is quantitative and systematic, employing powerful algorithms to primarily identify and exploit trends and other inefficiencies across a highly diversified range of markets.

The Allocation Model benefits from continuing research and development of the Index Management Agent to extend the range and versatility of instruments and sectors accessed by the Index. As such, the Index Management Agent may increase and

change the number and diversity of instruments and sectors allocated to by the Index as well as refine and deploy new allocation models where appropriate.

Following its initial composition, the changing characteristics of the derivative universe are accounted for through periodic revision and rebalancing schemes to ensure the continued representation of the evolving underlying global markets. Index components may be added to the Index if they have satisfied the Index qualification criteria or may be removed for failing to continue to satisfy these criteria. The Index currently rebalances on an intra-daily basis. This rebalancing has a *de minimis* impact on the costs incurred within the Index.

To ensure that the Index is sufficiently diversified, it is composed in a way that the allocation to any Index component may not represent more than 20% of the sum of allocations to all Index components; provided that, in exceptional market circumstances, which include, without limitation, circumstances of exceptional volatility, the allocation to one single Index component may represent not more than 35% of the sum of allocations to all Index components; subject, at all times, to the diversification ratios as set out in the applicable rules<sup>3</sup>. The number of Index components within the Index may vary over time; however, the total number of Index components at any one time will not be less than 50.

Compliance with the composition restrictions of the Index is reviewed by the Index Management Agent daily. Changes arising from the daily review will be implemented as quickly as practicably possible.

#### *Index calculation and publication*

The Index was launched on 21 July 2009, on which the value of the Index was equal to 500.

The Index Sponsor has appointed Citibank Europe plc. (the 'Index Calculation Agent') to determine independently the value of the Index based upon generally accepted valuation principles. Daily performance levels of the Index will be determined by the Index Calculation Agent and published by the Index Sponsor on the Index website. The Index will be calculated as a net replication index, using the returns from the Index components adjusted for the income or costs, as the case may be, which an actual holder of the Index components would receive or incur if replicating the Index. The replication costs relating to the investable structure of the Index are reflected by an adjustment reflecting, inter alia, prime brokerage expenses, administration and custody fees and other replication costs. For the avoidance of doubt, the Index does not encompass management and performance fees.

Further information concerning the Index methodology are documented in the 'General Index Rules' and can be found on Index website as well as information concerning the Index composition and weighting.

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<sup>3</sup> The law of 17 December 2010 concerning undertakings for collective investment; the Grand-Ducal Regulation of 8 February 2008 concerning undertakings for collective investment; the circular CSSF 08/339 regarding the Guidelines of the Committee of European Securities Regulators (CESR) concerning eligible assets for investment by UCITS and the CESR's Advice to the European Commission on Clarification of Definitions concerning Eligible Assets for Investments of UCITS (CESR/06-005).

Table 6: Share Classes of Man AHL Trend

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D19 Man AHL Trend - EUR Shares</b>	LU0424370004	10109873	A0RNJ6	Accumulative	Euro (EUR)	Active	No	EUR 100	EUR 100	EUR 100	up to 3%	up to 5% of net asset value	EUR 100
<b>Class MUS I20 Man AHL Trend - EUR Shares</b>	LU0428380124	10162149	A0RNJ7	Accumulative	Euro (EUR)	Active	No	EUR 100'000	EUR 10'000	EUR 10'000	up to 2%	up to 5% of net asset value	EUR 100
<b>Class MUS D218 Man AHL Trend - EUR Shares</b>	LU0851818400			Accumulative	Euro (EUR)	Active	No	EUR 100'000	EUR 10'000	EUR 10'000	up to 2%	up to 5% of net asset value	EUR 100
<b>Class MUS D133 Man AHL Trend – EUR Shares</b>	LU0529394297	10162149	A0RNJ7	Accumulative	Euro (EUR)	Dormant	n/a	EUR 100	EUR 100	EUR 100	up to 3%	up to 2% of net asset value	EUR 100
<b>Class MUS D159 Man AHL Trend – EUR Shares</b>	LU0625361521			Dividend	Euro (EUR)	Dormant	n/a	EUR 10'000	EUR 10'000	EUR 10'000	up to 3%	up to 5% of net asset value	EUR 100
<b>Class MUS D160 Man AHL Trend – EUR Shares</b>	LU0625361794			Dividend	Euro (EUR)	Dormant	n/a	EUR 10'000	EUR 10'000	EUR 10'000	up to 3%	up to 5% of net asset value	EUR 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D161 Man AHL Trend – EUR Shares</b>	LU0625361877			Dividend	Euro (EUR)	Dormant	n/a	EUR 10'000	EUR 10'000	EUR 10'000	up to 3%	up to 5% of net asset value	EUR 100
<b>Class MUS D21 Man AHL Trend - USD Shares</b>	LU0428380397	10162154	A1CXK9	Accumulative	US dollar (USD)	Active	No	USD 100	USD 100	USD 100	up to 3%	up to 5% of net asset value	USD 100
<b>Class MUS I121 Man AHL Trend – USD Shares</b>	LU0503879685	11236241	A1CXLA	Accumulative	US dollar (USD)	Active	No	USD 100'000	USD 10'000	USD 10'000	up to 2%	up to 5% of net asset value	USD 100
<b>Class MUS D219 Man AHL Trend – USD Shares</b>	LU0851818582			Accumulative	US dollar (USD)	Dormant	n/a	USD 100'000	USD 10'000	USD 10'000	up to 2%	up to 5% of net asset value	USD 100
<b>Class MUS D22 Man AHL Trend - CHF Shares</b>	LU0428380470	10162165	A1H7RU	Accumulative	Swiss franc (CHF)	Active	No	CHF 100	CHF 100	CHF 100	up to 3%	up to 5% of net asset value	CHF 100
<b>Class MUS I122 Man AHL Trend – CHF Shares</b>	LU0504984252	11244875		Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 10'000	CHF 10'000	up to 2%	up to 5% of net asset value	CHF 100
<b>Class MUS D220 Man AHL Trend – CHF Shares</b>	LU0851818665			Accumulative	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 10'000	CHF 10'000	up to 2%	up to 5% of net asset value	CHF 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D23 Man AHL Trend - GBP Shares</b>	LU0428380553	10162166		Accumulative	Pound sterling (GBP)	Active	No	GBP 100	GBP 100	GBP 100	up to 3%	up to 5% of net asset value	GBP 100
<b>Class MUS I123 Man AHL Trend – GBP Shares</b>	LU0504984419	11244881		Accumulative	Pound sterling (GBP)	Dormant	n/a	GBP 100'000	GBP 10'000	GBP 10'000	up to 2%	up to 5% of net asset value	GBP 100
<b>Class MUS D221 Man AHL Trend – GBP Shares</b>	LU0851818749			Accumulative	Pound sterling (GBP)	Dormant	n/a	GBP 100'000	GBP 10'000	GBP 10'000	up to 2%	up to 5% of net asset value	GBP 100
<b>Class MUS D24 Man AHL Trend - CAD Shares</b>	LU0428380710	10162173		Accumulative	Canadian dollar (CAD)	Dormant	n/a	CAD 100	CAD 100	CAD 100	up to 3%	up to 5% of net asset value	CAD 100
<b>Class MUS I124 Man AHL Trend – CAD Shares</b>	LU0504984682	11244883		Accumulative	Canadian dollar (CAD)	Dormant	n/a	CAD 100'000	CAD 10'000	CAD 10'000	up to 2%	up to 5% of net asset value	CAD 100
<b>Class MUS D222 Man AHL Trend – CAD Shares</b>	LU0851818822			Accumulative	Canadian dollar (CAD)	Dormant	n/a	CAD 100'000	CAD 10'000	CAD 10'000	up to 2%	up to 5% of net asset value	CAD 100
<b>Class MUS D25 Man AHL Trend - DKK Shares</b>	LU0428380801	10162176		Accumulative	Danish Krone (DKK)	Dormant	n/a	DKK 1'000	DKK 1000	DKK 1000	up to 3%	up to 5% of net asset value	DKK 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS I125 Man AHL Trend – DKK Shares</b>	LU0504984922	11244886		Accumulative	Danish Krone (DKK)	Dormant	n/a	DKK 1'000'000	DKK 100'000	DKK 100'000	up to 2%	up to 5% of net asset value	DKK 100
<b>Class MUS D223 Man AHL Trend – DKK Shares</b>	LU0851819044			Accumulative	Danish Krone (DKK)	Dormant	n/a	DKK 1'000'000	DKK 100'000	DKK 100'000	up to 2%	up to 5% of net asset value	DKK 100
<b>Class MUS D26 Man AHL Trend - NOK Shares</b>	LU0428380983	10162185		Accumulative	Norwegian Krone (NOK)	Dormant	n/a	NOK 1'000	NOK 1000	NOK 1000	up to 3%	up to 5% of net asset value	NOK 100
<b>Class MUS I126 Man AHL Trend – NOK Shares</b>	LU0504985143	11244889		Accumulative	Norwegian Krone (NOK)	Dormant	n/a	NOK 1'000'000	NOK 100'000	NOK 100'000	up to 2%	up to 5% of net asset value	NOK 100
<b>Class MUS D224 Man AHL Trend – NOK Shares</b>	LU0851819127			Accumulative	Norwegian Krone (NOK)	Dormant	n/a	NOK 1'000'000	NOK 100'000	NOK 100'000	up to 2%	up to 5% of net asset value	NOK 100
<b>Class MUS D27 Man AHL Trend - SEK Shares</b>	LU0428381015	10162228		Accumulative	Swedish Krone (SEK)	Dormant	n/a	SEK 1'000	SEK 1'000	SEK 1'000	up to 3%	up to 5% of net asset value	SEK 100
<b>Class MUS I127 Man AHL Trend – SEK Shares</b>	LU0504985499	11244893		Accumulative	Swedish Krone (SEK)	Dormant	n/a	SEK 1'000'000	SEK 100'000	SEK 100'000	up to 2%	up to 5% of net asset value	SEK 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D225 Man AHL Trend – SEK Shares</b>	LU0851819390			Accumulative	Swedish Krone (SEK)	Dormant	n/a	SEK 1'000'000	SEK 100'000	SEK 100'000	up to 2%	up to 5% of net asset value	SEK 100
<b>Class MUS D28 Man AHL Trend – CZK Shares</b>	LU0428381361	10162232		Accumulative	Czech koruna (CZK)	Dormant	n/a	CZK 2'000	CZK 2'000	CZK 2'000	up to 3%	up to 5% of net asset value	CZK 100
<b>Class MUS I128 Man AHL Trend – CZK Shares</b>	LU0504985655	11244895		Accumulative	Czech koruna (CZK)	Dormant	n/a	CZK 2'000'000	CZK 200'000	CZK 200'000	up to 2%	up to 5% of net asset value	CZK 100
<b>Class MUS D226 Man AHL Trend – CZK Shares</b>	LU0851819473			Accumulative	Czech koruna (CZK)	Dormant	n/a	CZK 2'000'000	CZK 200'000	CZK 200'000	up to 2%	up to 5% of net asset value	CZK 100
<b>Class MUS D29 Man AHL Trend – PLN Shares</b>	LU0428381528	10162234		Accumulative	Polish zloty (PLN)	Active	No	PLN 500	PLN 500	PLN 500	up to 3%	up to 5% of net asset value	PLN 100
<b>Class MUS I129 Man AHL Trend – PLN Shares</b>	LU0504985812	11244896		Accumulative	Polish zloty (PLN)	Dormant	n/a	PLN 500'000	PLN 50'000	PLN 50'000	up to 2%	up to 5% of net asset value	PLN 100
<b>Class MUS D227 Man AHL Trend – PLN Shares</b>	LU0851819556			Accumulative	Polish zloty (PLN)	Dormant	n/a	PLN 500'000	PLN 50'000	PLN 50'000	up to 2%	up to 5% of net asset value	PLN 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D30 Man AHL Trend - SGD Shares</b>	LU0436020985	10285416		Accumulative	Singapore dollar (SGD)	Active	No	SGD 20'000	SGD 2'000	SGD 2'000	up to 3%	up to 5% of net asset value	SGD 100
<b>Class MUS I130 Man AHL Trend – SGD Shares</b>	LU0504986034	11244899		Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 20'000	SGD 20'000	up to 2%	up to 5% of net asset value	SGD 100
<b>Class MUS D228 Man AHL Trend – SGD Shares</b>	LU0851819630			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 200'000	SGD 20'000	SGD 20'000	up to 2%	up to 5% of net asset value	SGD 100
<b>Class MUS D31 Man AHL Trend - HKD Shares</b>	LU0436021108	10285419		Accumulative	Hong Kong dollar (HKD)	Dormant	n/a	HKD 1'000	HKD 1'000	HKD 1'000	up to 3%	up to 5% of net asset value	HKD 100
<b>Class MUS I131 Man AHL Trend – HKD Shares</b>	LU0504986208	11244902		Accumulative	Hong Kong dollar (HKD)	Dormant	n/a	HKD 1'000'000	HKD 100'000	HKD 100'000	up to 2%	up to 5% of net asset value	HKD 100
<b>Class MUS D229 Man AHL Trend – HKD Shares</b>	LU0851819713			Accumulative	Hong Kong dollar (HKD)	Dormant	n/a	HKD 1'000'000	HKD 100'000	HKD 100'000	up to 2%	up to 5% of net asset value	HKD 100
<b>Class MUS D32 Man AHL Trend - TWD Shares</b>	LU0470828970	10764989		Accumulative	Taiwan Dollar (TWD)	Dormant	n/a	TWD 100'000	TWD 10'000	TWD 10'000	up to 3%	up to 5% of net asset value	TWD 100



Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D132 Man AHL Trend – ILS Shares</b>	LU0529395005	11567621		Accumulative	Israeli New Shequel (ILS)	Dormant	n/a	ILS 500	ILS 500	ILS 500	up to 3%	up to 5% of net asset value	ILS 100
<b>Class MUS D137 Man AHL Trend – CNY Shares</b>	LU0625361950			Accumulative	Chinese Yuan Renminbi (CNY) <sup>4</sup>	Dormant	n/a	EUR 100	EUR 100	EUR 100	up to 3%	up to 5% of net asset value	CNY 100
<b>Class MUS D156 Man AHL Trend – AUD Shares</b>	LU0625362099			Accumulative	Australian Dollar (AUD)	Dormant	n/a	AUD 100	AUD 100	AUD 100	up to 3%	up to 5% of net asset value	AUD 100
<b>Class MUS D157 Man AHL Trend – KRW Shares</b>	LU0625362172			Accumulative	South-Korean Won (KRW)	Dormant	n/a	KRW 200'000	KRW 200'000	KRW 200'000		up to 5% of net asset value	KRW 100
<b>Class MUS D158 Man AHL Trend – TRY Shares</b>	LU0625362255			Accumulative	Turkish Lira (TRY)	Dormant	n/a	TRY 2'000	TRY 2'000	TRY 2'000		up to 5% of net asset value	TRY 100

<sup>4</sup> Subscriptions and redemptions of share classes denominated in CNY are settled in EUR.

## Appendix 7: Man AHL Diversity

### 1. Investment objective and strategy

#### *Investment objective*

The Man Umbrella SICAV – Man AHL Diversity (hereinafter referred to as the 'Sub-Fund') seeks to achieve medium-term capital growth targeting double digit annualised returns for a target annualised volatility of around 11% over the medium term.<sup>5</sup> The Sub-Fund aims to deliver absolute returns in any market conditions and it is normally expected that the Sub-Fund delivers absolute (more than zero) returns on a twelve months rolling basis.

#### *Investment strategy*

In order to achieve its investment objective, the Sub-Fund provides Shareholders with the risk and return characteristics of a systematic, quantitative and primarily directional investment strategy that trades a highly diversified portfolio of futures and forward contracts across a diverse range of global markets.

The Sub-Fund offers access to systematic models that are primarily trend-following in nature, with allocation decisions based on quantitative and predominantly directional processes that analyse price movements in a wide range of instruments across different markets. Based on identified opportunities, such models allocate to a diversified portfolio of futures and forward contracts. Markets accessed include, stocks, bonds, currencies, interest rates and commodities (energies, metals and agricultural).

The cornerstone of the investment philosophy is that financial markets experience persistent inefficiencies that take the form of price trends. Trends are a manifestation of serial correlation in financial markets – the phenomenon whereby past price movements influence future price behaviour. Although they vary in their intensity, duration and frequency, price trends are universally recurrent across all sectors and markets.

The Sub-Fund will enter into one or more financial derivative instrument(s) in the form of swaps (the 'Swaps'; as further described under the heading 'General Description of the Swaps' below) which allow variable exposure of the Sub-Fund to a financial index, the AHL Trend Index™ (the 'Index'; as further described under the heading 'General Description of the Index' below).

The Sub-Fund will not employ any other techniques and instruments such as securities lending or repurchase or reverse repurchase transactions.

The Sub-Fund may also (as an alternative to or in combination with the above<sup>6</sup>) invest all or part of the net proceeds of the issue of Shares in transferable securities (including certificates, such as certificates on AHL investment funds pursuing a complementary strategy to the Index) issued by (i) financial institutions or corporates, (ii) sovereign states that are OECD

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<sup>5</sup> Mean volatility figures quoted are targets and are based over the medium term using the performance projections of the investment approaches, the target investment exposures and the market interest rates at the time of modelling and therefore may change and be adjusted by the Investment Manager accordingly. In view of the market fluctuations and other risks (as further described under the heading 'Investment Risks' below) there can be no assurance that the Sub-Fund will achieve its investment objective. There is no guarantee of trading performance and past or projected performance is no indication of futures performance.

<sup>6</sup> The Sub-Fund may also, with due regard to the best interest of the Sub-Fund's shareholders, decide during the life of the Sub-Fund to switch partially or totally from one structure to the other in which case the cost of such a switch (if any) will not be borne by the shareholders.

Member States and/or supranational organizations/entities, (iii) special purpose vehicles that are rated (or invested in rated bonds), and/or potentially some cash and/or term deposits with financial institutions, in each case with investment grade ratings by a recognised rating agency or equivalent long-term credit ratings at the time of the investment, all in accordance with the investment restrictions applicable to UCITS, and the Grand-Ducal Regulation of 8th February 2008, as summarized under section 'General investment guidelines and restrictions' of the general part of the Prospectus.

The Sub-Fund may also retain amounts in cash and cash equivalents pending reinvestment and pay for any margin requirements for the hedging of foreign currency fluctuations or if this is considered appropriate to the investment objective. Any such investments in liquid instruments will not be held for speculative purposes, but will be ancillary to the primary investment strategy of the Sub-Fund.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out in the section 'General investment guidelines and restrictions' of the general part of the Prospectus.

The Sub-Fund aims to generate capital gains rather than interest.

The Sub-Fund may not invest more than 5% of its Net Sub-Fund Assets in units or stocks of other UCITS or other undertakings of collective investment in order to be eligible for investment by UCITS governed by the UCITS Directive.

The above investments held by the Sub-Fund shall constitute the assets of the Sub-Fund (the 'Sub-Fund Assets').

The Sub-Fund may only borrow up to 10% of its Net Sub-Fund Assets; provided that such borrowing is in particular for covering a cash shortfall caused by mismatched settlement dates on purchase and sale transactions or on a temporary basis to finance repurchases. The Sub-Fund Assets may be charged as security for any such borrowings.

The Sub-Fund will have no maturity date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the general part of the Prospectus and the articles of incorporation of the Fund.

Generally, investments will be realised in compliance with rules and limitations set out in the Law of 17 December 2010, as amended and updated, and in all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, and Grand-Ducal Regulation of 8th February 2008, as summarized under section 'General investment guidelines and restrictions' of the full Prospectus. In addition, the Sub-Fund will not invest more than 5 per cent of its Net Asset Value in units of other UCITS or other collective investment undertakings.

## **2. Investment risks**

Details of certain risks associated with an investment in the Sub-Fund are described in the following:

### *(a) Risk factors relating to the Sub-Fund*

The Sub-Fund is not capital protected. The value of investments in the Sub-Fund may fall as well as rise and investors may get back less than they originally invested or even zero. An investment in the Sub-Fund is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may result from such an investment. It should be borne in mind that the risks involved in the types of investment which are included in the Sub-Fund's investment strategy are greater than normally associated with other types of investment, as some of the investments to which the Sub-Fund is indirectly exposed are subject to sudden, unexpected and substantial price movements. All prospective shareholders should carefully consider the investment objective of the Sub-Fund. No assurance can be given that the Sub-Fund's investment objective will be achieved or that the Sub-Fund will generate a positive return. Historical performance is no indication for future performance and the fact that an investment strategy happened to be successful in the past may largely be irrelevant to its prospects for future profitability. Subject to the responsibility, oversight and overall control of the Management Company, the Investment Manager has the full responsibility and discretion, within the limits of the Sub-Fund's investment policy, for the Sub-Fund's investment activities. The Investment Manager is not required to, and

will not devote substantially all of its business time to the investment activities of the Sub-Fund. If the Investment Manager were to cease operations such event could have a negative impact on the Sub-Fund and its performance.

Investment results for the different Share Classes may vary substantially over time. This can be related to a variety of factors non-exclusively including corporate action, macro-economic factors and speculation.

Shareholders should be aware that currency fluctuations between the currency of the Share Class and the shareholders' currency of reference may adversely affect the value of their investment in the Sub-Fund.

If the Shares of a Share Class can be subscribed and redeemed in a currency other than the reference currency of the Sub-Fund, which is US dollars (USD), a fluctuation in exchange rates could cause the value of an investment made by shareholders to diminish or increase irrespective of performance and therefore substantially impact the performance of such Share Class expressed in the corresponding Share Class currency. The Investment Manager may seek to mitigate such risks through hedging transactions. To the extent these hedging transactions are imperfect or are only placed over a portion of the foreign exchange exposure, such Share Class will bear the resulting benefit or loss. There is no guarantee that it will be possible to remove all currency exposure. Attention is further invited to the risk that with respect to the different currency Share Classes within the Sub-Fund, currency hedging transactions for one Share Class may in extreme cases adversely affect the net asset value of the other Share Classes within the Sub-Fund since the single Share Classes do not constitute a legally independent portfolio.

The investments of the Sub-Fund will be denominated primarily in US dollars (USD) and any return on such investments will therefore be paid in the same currency. However, the Sub-Fund may also hold assets that are denominated in currencies other than US dollars (USD), and therefore will be exposed to currency risk and fluctuations in foreign exchange rates can impact performance.

The net asset value per Share will differ on each official valuation point as the value of the Sub-Fund's assets will increase or decrease over time principally by reference to the performance of the Swaps and the Index respectively, and as the fees and expenses in relation to the Sub-Fund will accrue over time.

It is not the aim of the Sub-Fund to exactly track the performance of the underlying Index but to achieve an exposure to the Index which matches the targeted volatility. However, such exposure may fluctuate above or below such level and depends on different factors such as fees, transaction costs, subscriptions and redemptions or the exposure chosen under the Swaps. The performance of the Sub-Fund may therefore substantially differ from the performance of the underlying Index.

The Sub-Fund operates within the limits of and complies with the rules by the UCITS directive (No.2009/65/EC of 13 July 2009 as amended). As this directive as well as Luxembourg laws and the laws in jurisdictions where the Sub-Fund may make investments are subject to change there is a risk that the operations of the Sub-Fund are negatively affected by such changes and may even become unlawful because of such changes of law which would consequently lead to the liquidation of the Sub-Fund.

The Sub-Fund is subject to the risk of the insolvency of its counterparties. As substantial part of the Net Sub-Fund Assets can be held directly and indirectly in cash or cash equivalents with one or more financial institutions the Sub-Fund is taking a significant credit and counterparty risk. The Investment Manager may seek to mitigate such risks through adequate diversification within the limits as laid down in the Chapter 6 'Investment Restrictions' of the general part of the Prospectus. As the Sub-Fund may enter into OTC swap transactions this also exposes it to increased credit and counterparty risk which the Investment Manager will aim to mitigate by the collateral arrangements as described in the section headed '(b) Risk factors relating to the Swaps' below.

No assurance can be given that the Investment Manager will be able to obtain appropriate investment opportunities to accommodate future significant increases in the Sub-Fund's assets due to future subscriptions. This may adversely affect the performance of the Sub-Fund because the Investment Manager may not be able to invest all assets of the Sub-Fund in the

manner it desires. Especially counterparties may limit the size of the Swaps they are willing to hold with the Sub-Fund and the Investment Manager may not be able to obtain additional counterparties willing to enter into such contracts.

Because of substantial redemptions by Shareholders within a short time period the Investment Manager might be forced to liquidate investments more rapidly than originally expected. Such accelerated liquidation might disrupt the Investment Manager's investment strategy and might have a negative impact on the Sub-Fund's performance.

The Investment Manager of the Sub-Fund receives a performance fee based on the appreciation in the value of the Sub-Funds net assets and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, the performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment Manager to make investments for the Sub-Fund which are riskier than would be the case in the absence of the performance fee.

The Sub-Fund is daily tradable and a characteristic of frequent dealing by investors is that transaction costs associated with the intention of the Investment Manager to constantly keep the liquidity of the Sub-Fund as well as the Sub-Fund's exposure to the Index up to the required level increase. These costs will dilute the value of the Sub-Fund for existing or remaining shareholders in the long-term, this adverse effect is known as dilution.

#### *(b) Risk factors relating to the Swaps*

The Sub-Fund may invest in one or more Swaps, the return of which may be particularly volatile because such financial derivative instruments derive their value from the value of the Index which is primarily composed of constituents reflecting derivative instruments. Therefore, investors should be experienced with respect to transactions involving the purchase of assets the value of which derives from swap arrangements. Investors should be aware that an investment in the Sub-Fund involves assessing the risk of the swap techniques used to link the value of the Sub-Fund to the value of the Index.

The Swaps are linked to the performance of the Index; however, the value of a respective Swap does not exactly track the value of the Index. Due to various factors, such as fees, collateral costs and the participation of the Swaps to the Index (which may vary in order to achieve the targeted volatility), the performance of the Swaps and the performance of the Index will deviate.

As the Swaps will have a limited term the Sub-Fund will need to re-negotiate the terms and conditions of the Swaps after the expiration of the original term. The agreed terms upon such re-negotiation might be less attractive than the original terms which might have a negative impact on the performance of the Sub-Fund. If the Sub-Fund enters into additional Swaps with new Approved Swap Counterparties the terms of such Swaps have to be negotiated with such party and may deviate from the terms of the initial Swaps.

The Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Fund to the credit of its Approved Swap Counterparties and their ability to satisfy the terms of such contracts. The Sub-Funds may enter into swap arrangements or other derivative techniques, including, for the avoidance of doubt the OTC Swap Transactions, each of which expose the Sub-Fund to the risk that the Approved Swap Counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. The Approved Swap Counterparties will have to post collateral to the Sub-Fund to mitigate such credit and counterparty risk.

Investors should also note that not only will they be exposed to the credit and counterparty risk of the Approved Swap Counterparties but also potential conflicts of interest in the performance of the functions undertaken by such counterparties in respect of the Sub-Fund. In such circumstances, the Approved Swap Counterparties have undertaken to use their reasonable

endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Sub-Fund and the shareholders are not unfairly prejudiced.

*(c) Risk factors relating to the Index*

Due to various factors, such as any adjustment to the Index to reflect the replication costs relating to the investable structure of the Index (e.g. prime brokerage expenses, administration and custody fees, foreign exchange hedging etc.) and the allocations to cash or cash equivalents within the Index, the value of the Index on any Valuation Day may differ from the aggregate value of the financial derivative and cash instruments represented by the index components as of such Valuation Day.

Within the Index, the changes in the value of one index component may be offset or increased by fluctuations in the value of other index components.

While pursuing the Index investment objective complex trading systems / programmes or analytical models may be employed. Such trading systems / programmes and analytical models may be fallible which could result in losses.

Through the Swap the Sub-Fund will be exposed to the Index, which itself will be exposed to futures and forward contract and cash instrument risks including, but not limited to the following characteristics.

While the use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. Derivative instruments may be subject to sudden, unexpected and substantial price movements which may be influenced by factors such as interest rates, currency exchange rate and economic and political events which are not predictable. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Unexpected and substantial price movements may lead to substantial fluctuations in the value of the Index.

The Index may contain derivatives of debt securities which will subject the Index to credit, liquidity and interest rate risks. Evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

The Index may contain forward foreign exchange contracts which are contractually binding obligations to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are generally effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by a regulatory authority nor are they guaranteed by an exchange or clearing house. Therefore such transaction is subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and commitments for resale or repurchase, if any, would need to be covered at the then current market price.

The Index may contain derivatives of developing market debt securities, foreign exchange instruments and equities and developing markets stocks and bonds which may lead to additional risks being encountered when compared with investments in developed markets.

The Index may contain short positions which are achieved by short selling which involves agreeing to sell securities at a future date although, at the time of such agreement, the securities to be sold may, or may not, be owned by the seller. The seller may, at times, have to borrow securities of the same type for delivery to the purchaser, with an obligation on the seller to replace any

such borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such declines exceed the transaction costs and any costs of borrowing the securities. However, if the borrowed securities must be replaced by purchases at market prices in order to close out a short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase. In addition, in some markets there are rules prohibiting short sales at a price below the last sale price, which may prevent the short sales from being executed at the most desirable time.

Derivative products are highly specialized financial instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without there being any opportunity to observe the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to an investment portfolio and the ability to forecast the relative price, interest rate or currency rate movements correctly.

The Index will also be exposed to liquidity risk when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

If the currency of a financial derivative is denominated not in USD such investment may be subject to currency exchange rate movement risk.

The other risks associated with the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, interest rates and indices. Many derivatives are complex and are often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value.

Derivative instruments also carry the risk that a loss may be sustained as a result of the failure of another party to a derivative (usually a counterparty) to comply with the terms of the contract. The counterparty risk for exchange-traded derivatives is generally less than for privately negotiated, over-the-counter derivatives ('OTC Derivatives'), since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of settlement and execution. As OTC Derivatives are not traded on a regulated market they are not standardised and counterparties have to negotiate the composition of such derivatives in detail which involves error risks. As there is no standardised market OTC Derivatives are also significantly less liquid than exchange traded derivatives and there is less governmental regulation and supervision in the OTC markets compared to regulated markets. In addition, the use of credit derivatives (credit default swaps and credit linked notes) carries the risk of a loss arising if one of the entities underlying the credit derivative defaults.

There are special risk considerations associated with an underlying of OTC Derivatives of which the performance is linked directly or indirectly to the types of securities or assets which are described hereafter. The degree of exposure to such factors will depend on the precise way in which an underlying OTC Derivative is linked to such assets. For futures, options or other derivative contracts this depends on the nature of the underlying assets, reference rates or other derivatives to which they relate and on the liquidity in the relevant contract, the prices of such instruments may be highly volatile and hence risky in nature. Prices of commodity indices and energy indices are influenced by, among other things, various macro-economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events. Exposure to emerging markets assets generally entails greater risks than exposure to well-developed markets, including potentially significant legal economic and political risks. Emerging markets are by definition 'in transformation' and are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases both political and economic instability has occurred. Political or economic instability may affect investor's confidence, which could in turn have negative impact on the



prices of emerging market exchange rates, securities or other assets. The prices of emerging market exchange rates, securities or other assets are often highly volatile. Movements in such prices are influenced by, among other things, interest rates, changing market supply and demand, external market forces (particularly in relation to major trading partners), trade, fiscal, monetary programmes, policies of governments, and international political and economic events and policies. In emerging markets, the development of securities markets usually is at an early stage. This could lead to risks and practises (such as increased volatility) that are not common in more developed securities markets, which may negatively affect the value of securities listed on the exchanges of such countries. In addition, markets of emerging market countries are often characterised by illiquidity in the form of a low turnover of some of the listed securities. It is important to note that, during times of global economic slowdown, emerging market exchange rates, securities and other assets are more likely than other forms of investment with lower risk to be sold during and 'flight to quality', and their value may decrease accordingly.

There is no assurance that an underlying of OTC Derivatives will continue to be calculated and published or that it will not be amended significantly. Any change to the underlying of OTC Derivatives may adversely affect the value of such derivative. The past performance of an underlying of OTC Derivatives is not necessarily a guide to its future performance. Where an underlying of OTC Derivatives consist of an index it will not be actively managed and the selection of the component indices, assets or securities will be made in accordance with the relevant index composition rules and eligibility criteria and not by reference to any performance criteria or performance outlook. Accordingly, the composition of the index is not designed to follow recommendations or research reports issued by the index sponsor, its affiliates or any other person.

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.

Derivative markets are constantly evolving following macro-economic developments and financial innovations by creation of new financial instruments and subsequent abolishment of others. Such developments and the general demand from market participants increase or decrease the capacity of derivative markets. Therefore a potential investor in derivatives might not be able to make such investment because of a lack of market capacity. Also an investment in a small market can be detrimental as the investment itself might be able to move the market significantly instead of profiting from market movements.

As substantial part of the Index can be exposed directly or indirectly to cash or cash equivalents the Index also bears a significant credit and counterparty risk of one or more financial institutions.

For all these reasons, investing directly or indirectly in derivative and cash instruments is generally considered to be risky. If the instruments underlying the Index do not perform, the value of the Index, and consequently the value of the Sub-Fund may fall substantially.

### 3. Currency

The reference currency of the Sub-Fund is the US dollar (USD). The Share Classes of the Sub-Fund have the denominations set out below in Table 7: Share Classes of Man AHL Diversity.

It is intended to hedge as far as practically possible currency fluctuations of all of the non-US dollar Share Classes against the US dollar by derivative currency hedging transactions. However, in order to avoid excessive collateral, a total hedging cannot be sought. Furthermore, for technical reasons such as changes of value of the Sub-Fund's assets or subscriptions and redemptions of Shares, a temporary divergence from the targeted hedge ratio cannot be excluded.



#### 4. Stock exchange listing

The Sub-Fund may apply for a listing on the Luxembourg Stock Exchange for some or all of the Share Classes in the Sub-Fund. Details regarding the listing of Share Classes are set out below in Table 7: Share Classes of Man AHL Diversity.

#### 5. Shares

The Sub-Fund shall issue Accumulation Shares only. The Board of Directors shall nevertheless have the option, in any given accounting year, to propose to the Shareholders at the annual General Meeting the payment of a dividend out of all or part of the relevant Share Class' current net investment income, if the Board of Directors thinks it appropriate to make such a proposal.

Fractional Shares will be issued as necessary to three decimal places. In the event that the securities clearing institution, such as Clearstream and Euroclear, cannot process fractional Shares and a down rounding to whole Shares is not accepted by the investor, Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded down to three decimal places. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

#### 6. Share classes

The Sub-Fund includes shares of more than one share class. As of the date of this Prospectus not all share classes are active for investment but some are dormant, details of which can be seen from Table 7: Share Classes of Man AHL Diversity below. Dormant Share Classes can be activated if requested by investors subject to the approval by the Board of Directors and if deemed having no adverse effect on the Sub-Fund and its shareholders. The initial issue price of a Share Class to be activated will be as set out below in Table 7: Share Classes of Man AHL Diversity. The Board of Directors may determine the details of an initial offering period for the activation of a Share Class, if any.

Shares of 'Class MUS D33 Man AHL Diversity – GBP Shares', 'Class MUS D35 Man AHL Diversity – USD Shares', 'Class MUS D134 Man AHL Diversity – EUR Shares' and 'Class MUS D162 Man AHL Diversity – CAD Shares' are designed for distribution via investment firms who are compensated based on the products in which their clients are invested whereas shares of 'Class MUS D34 Man AHL Diversity – GBP Shares', 'Class MUS D36 Man AHL Diversity – USD Shares', 'Class MUS D135 Man AHL Diversity – EUR Shares' and 'Class MUS D163 Man AHL Diversity – CAD Shares' are designed for distribution via investment firms who charge their clients directly for managing the clients' money.

All of the Share Classes which are active will be widely available and are available for all investors. The active Share Classes will be marketed and made available sufficiently widely to reach the intended category of investors in a manner appropriate to attract those categories of investors.

#### 7. Net asset value

The net asset value per Share of each Share Class in the Sub-Fund will be determined as of each day which is a Business Day (a 'Valuation Day') in the applicable Share Class currency. 'Business Day' means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London, Luxembourg, and New York City and/or such days as the Board of Directors shall from time to time determine. Following any determination as aforesaid, and for the avoidance of doubt, the Board of Directors will from time to time publish a dealing calendar on [www.man.com](http://www.man.com) which will set out the Sub-Fund's annual Business Days. The net asset value of the Shares in the Sub-Fund as at the Valuation Day shall be calculated and published on the next following Business Day (a 'Calculation Day'). In exceptional circumstances (e.g. unforeseen delays in the calculation process) the net asset value may only be calculated and published two Business Days after the Valuation Day.

#### *Issue and redemption of shares*

Subscription and redemption requests (the 'Orders') can be made for a number of Shares or cash amounts equal to or greater than the minimum investment as further described below under the heading 'Minimum investment'. In the case of direct

subscriptions by private individuals Orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted.

The issue price and the redemption price shall be the net asset value per Share as per the Valuation Day immediately preceding the relevant Calculation Day determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section of the general part of the Prospectus, plus a sales commission of up to 5% of the net asset value per share which is payable to the distribution agent in relation to subscriptions.

#### *Processing of subscriptions and redemptions*

As the Sub-Fund is open for investment on every Business Day, Shares in the relevant Share Class in the Sub-Fund may be subscribed for or redeemed on each Valuation Day (which is also the Dealing Day for this Sub-Fund).

Orders need to be received by the Registrar and Transfer Agent on a Valuation Day prior to the Cut-off Time in order for such orders to be processed for such Valuation Day and on the basis of the net asset value per Share that corresponds to the Valuation Day which is calculated on the immediately following Calculation Day. Orders received by the Registrar and Transfer Agent after the applicable Cut-off Time on a Valuation Day shall be deemed to be received on the next following Valuation Day and will be processed on the next following Calculation Day.

The standard settlement period for subscriptions and redemption is within three Business Days following the relevant Calculation Day. In the case of direct subscriptions private individual investors must provide cleared funds to be received by the Custodian no later than on the relevant Valuation Day prior to the Cut-off Time. Full payment instructions may be obtained through the Registrar and Transfer Agent.

When subscribing, investors must make payment in the currency of the relevant Share Class. In addition, investors may subscribe in another freely convertible currency. The Registrar and Transfer Agent will arrange for any necessary currency transaction to convert the subscription monies into the currency of the relevant Share Class. Any such currency transaction will be effected with the Registrar and Transfer Agent at the investor's risk and cost. Such currency exchange transactions may delay the subscription process.

No Shares will be issued or redeemed by the Sub-Fund during any period in which the calculation of the net asset value per Share is suspended. Orders made or pending during such suspension may be withdrawn by notice in writing received by the Registrar and Transfer Agent prior to the end of such suspension period. Orders that are not withdrawn will be considered on the first Valuation Day immediately following the end of such suspension period.

As provided for in the general part of the Prospectus, the Fund may resolve to redeem Shares of the Sub-Fund only when sufficient assets have been sold and the proceeds thereof have been received, in case of a large volume of redemption applications being received in respect of the Sub-Fund, having regard to the overall interests of shareholders of the Sub-Fund.

#### *Processing of conversions*

Conversions of Shares of the Sub-Fund into Shares of another sub-fund or of Shares of another sub-fund into Shares of the Sub-Fund are not possible. This shall however not affect the possibility for shareholders to convert Shares of one Share Class into Shares of another Share Class within the Sub-Fund.

### **8. Fees and expenses**

Details of certain fees and expenses associated with an investment in the Sub-Fund may be found in the general part of the Prospectus. Thus, this section should be read in conjunction with the section headed 'Fees and Expenses' in the general part of the Prospectus.

### *Management fee*

A management fee equivalent to a rate p.a. in relation to the Share Classes as indicated below in Table 7: Share Classes of Man AHL Diversity (the 'Management Fee') shall be calculated prior to the deduction of the Management Fee and the Performance Fee, accrued as at each Valuation Day, and paid from the Net Sub-Fund Assets of the respective Share Class of the Sub-Fund. The Management Fee covers marketing advisory services of Man Investments AG, fees of distributors, and the investment services of the Investment Manager. The Management Fee will be paid monthly in arrears.

### *Performance fee*

A weekly performance fee (the 'Performance Fee') will be calculated and accrued as at each Valuation Day at a rate of up to 20% of the Net New Appreciation attributable to each Share Class. The Performance Fee period is the period from the last time a Performance Fee was payable up to and including the first Valuation Day of each calendar week (the 'Performance Fee Day').

'Net New Appreciation' means the amount, if any, by which the Net Asset Value of each Share Class (prior to the reduction of any accrued Performance Fee but after the reduction of any Performance Fees payable due to shareholder redemptions) at the end of the relevant Performance Fee period exceeds the High Water Mark (as defined below).

'High Water Mark', calculated as at each Valuation Day, means the Net Asset Value of each Share Class as of the most recent Performance Fee Day where a Performance Fee was paid by such relevant Share Class. The High Water Mark for each share class will be reduced pro rata by the amount of redemptions, dividends and distributions and then increased by the amount of any subscriptions on each Valuation Day within the relevant performance fee period. For the purpose of calculating the Performance Fee, the Net Asset Value of each Share Class will be calculated prior to reduction for any accrued Performance Fee. The Central Administrative Agent (in consultation with the Investment Manager) may also make related adjustments to the High Water Mark for the purpose of determining the High Water Mark to account for any other changes caused by subscriptions, redemptions, dividends, distributions, and other similar events.

Calculated and accrued on each Valuation Day but payable weekly, performance fees are liabilities in the relevant Share Class' accounts and incorporated into the official Net Asset Value of the relevant Share Class. If a shareholder redeems Shares part way through the relevant Performance Fee period, a pro rata portion of the accrued performance fee liability at the immediately preceding Valuation Day shall become immediately due and payable.

If the appointment of the Investment Manager is terminated during a Performance Fee period, any accrued Performance Fees on the final Valuation Day will be calculated and paid as if the final Valuation Day was the end of the relevant Performance Fee period.

Please note that the Performance Fees payable by each of the Sub-Fund's Share Classes shareholder may not correspond to the performance of the relevant Share Class. This is because the Sub-Fund is not calculating the Performance Fees using an equalisation or series accounting methodology. As a result, daily dealing in the Sub-Fund's Share Classes may have a positive or negative impact on the Performance Fee borne by shareholders.

Any Performance Fees payable in respect of Performance Fee periods are paid monthly in arrears to the Man Investments AG who will forward a significant part of it to the Investment Manager for its services.

### *'Class MUS D34 Man AHL Diversity - GBP Shares'*

In deviation from the above, for the 'Class MUS D34 Man AHL Diversity - GBP Shares', an annual performance fee is calculated and accrued as at each Valuation Day at a rate of up to 20% of the Net New Appreciation attributable to 'Class MUS D34 Man AHL Diversity - GBP Shares'. The Performance Fee period is the period from the last time a Performance Fee was paid (or inception for the first Performance Fee period) to the last Valuation Day in the Fund's accounting year. The Performance Fee

will be calculated and accrued daily but payable annually following the end of each accounting year. All other provisions apply for 'Class MUS D34 Man AHL Diversity - GBP Shares' mutatis mutandis.

#### *Administrative and Operating costs*

The aggregate fees and costs for the Sub-Fund payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent in consideration of services rendered under the Custodian Services Agreement, Fund Administration Services Agreement and Registrar and Transfer Agent agreement are, as of the Launch Date, expected not to exceed 0.20% per annum of the Net Sub-Fund Assets attributable to the Sub-Fund (hereinafter collectively referred to as the 'Administrative and Operating Costs') and may be significantly lower because such costs will vary as a function of the assets under management by the Sub-Fund and will decrease to the extent the Sub-Fund's assets grow in total value. For the avoidance of doubt, any other fee not attributable only to the Sub-Fund or tax payable by the Sub-Fund or on any assets of the Sub-Fund is described separately under the heading 'Fees and Expenses' in the general part of this Prospectus.

### **9. Launch of the Sub-Fund**

The Sub-Fund was launched by the issuance of Shares of the 'Class MUS D33 Man AHL Diversity – GBP Shares' and the 'Class MUS D34 Man AHL Diversity – GBP Shares' on 3 November 2009.

### **10. Investor profile**

The Sub-Fund is suitable for medium to long-term investors seeking risk-controlled returns. Given the high level of risk involved, the Sub-Fund is only suitable for investors able to sustain significant short-term loss and with a medium-term investment horizon.

The Sub-Fund is aimed at investors as set out for each Share Class above under the heading 'Share classes'.

**The past performance of this Sub-Fund should not be seen as an indication of future investment performance.**

### **11. Global exposure**

In accordance with the Law of 2010 and the applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority ('ESMA'), the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of this risk-management process, the global exposure of the Sub-Fund is measured and controlled by the absolute Value at Risk approach.

In financial mathematics and financial risk management, the Value at Risk ('VaR') is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the investment portfolio over the given time horizon exceeds this value (assuming normal market conditions and no trading in the investment portfolio) is the given probability level.

The Sub-Fund's VaR is limited by an absolute VaR calculated on the basis of the net asset value of the Sub-Fund and not exceeding a maximum VaR limit determined by the Management Company taking into account the investment policy and the risk profile of the Sub-Fund.

#### *Leverage*

In addition to measure and control the global exposure of the Sub-Fund by the absolute Value at Risk approach, the Sub-Fund assesses the level of leverage generated by the use of financial derivative instruments in accordance with the Law of 2010 and

the applicable regulations, including circulars and other publications of the CSSF and ESMA. The expected level of leverage using the methodology of the sum of the notionals for derivatives is 126%, based on the net asset value of the Sub-Fund. However, since for this Sub-Fund derivative instruments, other than the Swaps, are mainly used for the purpose of mitigating FX risk on the non-USD denominated share classes (usually via FX forward arrangements), the overall leverage and risk of the Sub-Fund may be overestimated since the methodology does not take into account any netting arrangements. The expected level of leverage using the commitment approach, which methodology allows netting arrangements, is 26%. Under certain circumstances, the level of leverage might exceed the before mentioned levels, but is not expected to exceed 140% using the sum of the notionals approach and 40% using the commitment approach.

## 12. Minimum level for the Sub-Fund to be operated in an economically efficient manner

The Board of Directors may in its full discretion decide to introduce a minimum amount which is generally considered to be the minimum level for the Sub-Fund to be operated in an economically efficient manner.

## 13. Minimum investment

The minimum investment requirements, minimum increment amounts for additional investments and minimum redemption amounts for each Share Class are set out below in Table 7: Share Classes of Man AHL Diversity.

The minimum investment and minimum increment amounts are subject to the discretion of the Board of Directors as lesser amounts can be accepted. In case the value of a shareholder's investment has decreased to an amount below the minimum redemption amount shown in the table above, the Shareholder shall be entitled to redeem such lower amount in total.

Notwithstanding the aforementioned, a monthly investment plan (the 'Plan') is available for the Share Classes listed in the table below through distribution agents to enable an investor to build up a holding of Shares by regular monthly payments of at least the following investment amounts without making the normal lump sum minimum investment:

Share Class	Minimum Investment Amount
Class MUS D33 Man AHL Diversity - GBP Shares	GBP 50
Class MUS D34 Man AHL Diversity - GBP Shares	GBP 50
Class MUS D35 Man AHL Diversity - USD Shares	USD 50
Class MUS D36 Man AHL Diversity - USD Shares	USD 50
Class MUS D162 Man AHL Diversity – CAD Shares	CAD 50
Class MUS D163 Man AHL Diversity – CAD Shares	CAD 50

## 14. General Description of the Swaps

### *Use of the Swap*

The Fund on behalf of the Sub-Fund will enter into in one or more financial derivative instrument(s) in the form of swaps (the 'Swaps') in order to gain exposure to the Index to the extent as required to achieve the targeted volatility. In order to target such volatility the participation of the Swaps to the Index may vary over time but is not expected to exceed 100%. The Swaps will be entered into with first class financial institutions acting as swap counterparties selected at the choice and discretion of the Sub-Fund (the 'Approved Swap Counterparty').

The Sub-Fund may select and enter into one of the following types of swaps, which can change over time, in accordance with the advice of the Investment Manager and, at all times, on an arm's length basis and in the best interest of the Shareholders:

In the case of unfunded swaps the Sub-Fund will (i) invest a portion of its net asset value into any eligible assets in accordance with the applicable investment restrictions as defined in the section entitled 'General investment guidelines and restrictions' in the general part of the Prospectus and (ii) enter into a total return swap with an Approved Swap Counterparty whereby such counterparty will be paid the performance of such eligible asset (e.g. LIBOR + 1 %) and the Sub-Fund will receive a performance linked to the Index in exchange (the 'Unfunded Swap'). The purpose of such Unfunded Swap is to exchange all or a part of the returns of the Sub-Fund's assets against the performance linked to the Index. Accordingly, the Sub-Fund is not, and ultimately the Shareholders are not entitled to receive income due and received from the Sub-Fund's assets to the extent they are used for an Unfunded Swap.

In the case of funded swaps the Sub-Fund will invest a portion of its net asset value in one or more derivative contracts in the form of funded swaps (the 'Funded Swap' and together with the Unfunded Swaps, the 'OTC Swap Transactions' or 'Swaps', as the case may be) entered into with an Approved Swap Counterparty. The purpose of a Funded Swap is to exchange an initial capital amount against the performance linked to the Index.

Since the launch of the Sub-Fund, the Funded Swap option has been chosen.

The Fund on behalf of the Sub-Fund and the Approved Swap Counterparties will enter into a derivatives master agreement and the relevant annex and confirmations, as applicable, which will govern the OTC Swap Transactions. Following the Launch Date, the Investment Manager may, on a daily basis, subscribe or redeem swap units to adjust the notional amount of the relevant OTC Swap Transaction with a view to rebalance the exposure to such transaction and the Index respectively following the issuance or redemption of shares in the Sub-Fund and performance of the Sub-Fund's assets.

The Sub-Fund will use certain cash flows received under the terms of a Swap to cover the Fees and Expenses as described in the section headed 'Fees and Expenses' in this Appendix.

The pricing of OTC Swap Transactions will be performed independently of the trading desk of the Approved Swap Counterparties.

When applying the applicable investment restrictions as defined in the section entitled 'General investment guidelines and restrictions' in the general part of the Prospectus to OTC Swap Transactions, reference should be made to the counterparty risk exposure. Thus, the counterparty risk of the Sub-Fund's OTC swap transactions will be reduced by causing the Approved Swap Counterparties to deliver to the Sub-Fund eligible collateral in accordance with CSSF circular 07/308 concerning the use of a method for the management of financial risks, as well as the use of derivative financial instruments. Such collateral will be kept by a first class financial institution and shall be enforceable by the Fund for the account of the Sub-Fund at all times and will be marked to market on a daily basis. In addition, the Approved Swap Counterparties may be also requested to deliver to the Sub-Fund collateral other than the regulatory collateral on an arm's length basis and in the best interest of the Shareholders.

### *Fees and Expenses*

The following fees and expenses will be incurred directly and indirectly by the Sub-Fund in connection with the OTC Swap Transactions and will affect the net asset value of the Sub-Fund.

In consideration for the licensing of the Index to the Approved Swap Counterparties, the Approved Swap Counterparties shall pay to the Index Sponsor a licence fee, calculated and accrued daily by reference to the value of the Swap multiplied by an exposure factor and is, as of the date of this Prospectus, expected to equate up to approx. 1% per annum of the net asset value of the Sub-Fund, and such accrual to be deducted from the value of the Swap on a daily basis, and paid monthly in arrears to the Index Sponsor.

The Approved Swap Counterparties shall be entitled to a swap fee for arranging and providing the Swap, calculated and accrued daily by reference to the value of the Swap and which, as of the date of this Prospectus, is expected to equate to less than 0.20% per annum of the Net Sub-Fund Assets. Such accrual will be deducted from the value of the Swap on a daily basis, and paid monthly in arrears to the Approved Swap Counterparties. The swap fee may be reviewed and is subject to change once the respective OTC Swap Transaction is renegotiated or expires, or if additional OTC Swap Transactions are entered into between the Fund on behalf of the Sub-Fund and existing or new Approved Swap Counterparties, as the case may be.

The Sub-Fund bears directly and indirectly all costs in relation to the posting of the collateral provided by the Approved Swap Counterparties and the return of any reinvestment of cash collateral. If there is a mismatch between the interest earned by the Sub-Fund on any posted cash collateral and the collateral costs, the Sub-Fund will be charged directly or indirectly such costs. However, the Investment Manager will use its reasonable efforts to minimise the collateral cost as far as possible in the interest of the Sub-Fund and its Shareholders.

### **15. General Description of the Index**

This section is a brief overview of the Index sponsored by Man Investments AG (the 'Index Sponsor'), the AHL Trend Index™. It contains a summary of the principal features of the Index but is not a complete description of the Index. This section must be read in conjunction with the 'General Index Rules' governing the construction and the management of the Index which can be obtained at the registered office of the Fund or from the Index website [www.man.com/ahl-trend-index](http://www.man.com/ahl-trend-index).

The Index is an investable financial index which is constructed and managed in an objective and transparent manner and offers access to a highly diversified universe of contracts of forward delivery (futures and forward contracts) across a broad range of sectors.

The Index adheres to the following criteria:

- Adequate representation of the defined universe of globally traded futures and forward contracts
- Highly diversified composite of individual contracts across a diverse range of global markets
- Wide and timely disclosure of material information on the Index construction, calculation and rebalancing methodology
- Disciplined, rules-based selection process for components to be included in the Index

### *Index objective and design*

The objective of the Index is to replicate the risk and return characteristics of a systematic, quantitative and primarily directional investment strategy that trades a highly diversified portfolio of futures and forwards contracts across a diverse range of global markets.

To achieve its objective, the Index offers access to systematic models which are primarily trend-following in nature with allocation decisions based on quantitative and directional processes that analyse price movements in a wide range of instruments across different markets. Based on identified opportunities, such models allocate to a diversified portfolio of



futures and forwards. Markets accessed include stocks, bonds, currencies, short-term interest rates and commodities (energies, metals and agricultural). The Index can also be exposed to cash or cash equivalents.

The Index is designed to target specific levels of volatility or risk. The highly diversified nature of the Index means that each component within the Index is allocated a small proportion of risk capital, which helps to diversify and thereby reduce risk.

The reference currency of the Index is the US Dollar (USD).

#### *Index construction and management*

The Index Sponsor has appointed Man Investments Limited (the 'Index Management Agent') to maintain and evolve the rules for the construction of the Index and to ensure that a consistent approach is applied when selecting the components to be included in the Index.

The Index components are determined by the application of an on-going selection process to ensure proper classification and satisfaction that each instrument meets the eligibility criteria, i.e. can be drawn as a component for inclusion in the Index. To select the components for inclusion in the Index, the Index Management Agent has designed a proprietary methodology that forms the basis of a disciplined, rules-based selection process which is twofold:

##### Classification:

The universe of possible components within the Index encompasses contracts of forward delivery across a broad range of sectors. The Index will comprise the following sectors:

- Stocks
- Bonds
- Currencies
- Commodities (energies, metals and agricultural)
- Interest rates

##### Qualification:

Out of the full universe of futures and forward contracts, individual contracts can only be drawn as a component for inclusion in the Index if they meet certain selection criteria. These selection criteria are reviewed by the Index Management Agent to check if the instruments possess all the necessary attributes to be included in the Index:

- Priced intra-day by an independent third party
- Tradable through more than one counterparty
- Sufficiently liquid with high trading volume and open interest
- Acceptable level of risk and correlation

A rule that at least 90% of the Index should be allocated to eligible contracts fulfilling the selection criteria above is applied. According to this rule, a maximum of 10% of the Index can be allocated to instruments which do not fulfil the requirements above.

Following the selection of the index constituents through Classification and Qualification, the Index Management Agent employs a proprietary allocation model (the 'Allocation Model') in order to determine the allocations to the Index components, subject to compliance with pre-defined composition restrictions. The Allocation Model is quantitative and systematic, employing powerful algorithms to primarily identify and exploit trends and other inefficiencies across a highly diversified range of markets.

The Allocation Model benefits from continuing research and development of the Index Management Agent to extend the range and versatility of instruments and sectors accessed by the Index. As such, the Index Management Agent may increase and



change the number and diversity of instruments and sectors allocated to by the Index as well as refine and deploy new allocation models where appropriate.

Following its initial composition, the changing characteristics of the derivative universe are accounted for through periodic revision and rebalancing schemes to ensure the continued representation of the evolving underlying global markets. Index components may be added to the Index if they have satisfied the Index qualification criteria or may be removed for failing to continue to satisfy these criteria. The Index currently rebalances on an intra-daily basis. This rebalancing has a *de minimis* impact on the costs incurred within the Index.

To ensure that the Index is sufficiently diversified, it is composed in a way that the allocation to any Index component may not represent more than 20% of the sum of allocations to all Index components; provided that, in exceptional market circumstances, which include, without limitation, circumstances of exceptional volatility, the allocation to one single Index component may represent not more than 35% of the sum of allocations to all Index components; subject, at all times, to the diversification ratios as set out in the applicable rules<sup>5</sup>. The number of Index components within the Index may vary over time; however, the total number of Index components at any one time will not be less than 50.

Compliance with the composition restrictions of the Index is reviewed by the Index Management Agent daily. Changes arising from the daily review will be implemented as quickly as practicably possible.

#### *Index calculation and publication*

The Index was launched on 21 July 2009, on which the value of the Index was equal to 500.

The Index Sponsor has appointed Citibank Europe plc. (the 'Index Calculation Agent') to determine independently the value of the Index based upon generally accepted valuation principles. Following its launch, daily performance levels of the Index will be determined by the Index Calculation Agent and published by the Index Sponsor on the Index website. The Index will be calculated as a net replication index, using the returns from the Index components adjusted for the income or costs, as the case may be, which an actual holder of the Index components would receive or incur if replicating the Index. The replication costs relating to the investable structure of the Index are reflected by an adjustment reflecting, inter alia, prime brokerage expenses, administration and custody fees and other replication costs. For the avoidance of doubt, the Index does not encompass management and performance fees.

Further information concerning the Index methodology are documented in the 'General Index Rules' and can be found on Index website as well as information concerning the Index composition and weighting.

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<sup>5</sup> The law of 17 December 2010 concerning undertakings for collective investment; the Grand-Ducal Regulation of 8 February 2008 concerning undertakings for collective investment; the circular CSSF 08/339 regarding the Guidelines of the Committee of European Securities Regulators (CESR) concerning eligible assets for investment by UCITS and the CESR's Advice to the European Commission on Clarification of Definitions concerning Eligible Assets for Investments of UCITS (CESR/06-005).

Table 7: Share Classes of Man AHL Diversity

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D33 Man AHL Diversity - GBP Shares</b>	LU0424370269	10109898	A0RNJ8	Accumulative	Pound sterling (GBP)	Active	No	GBP 1'000	GBP 1'000	GBP 1'000	up to 2.75%	up to 5% of net asset value	GBP 100
<b>Class MUS D34 Man AHL Diversity - GBP Shares</b>	LU0424370343	10109901	A0RNJ9	Accumulative	Pound sterling (GBP)	Active	No	GBP 1'000	GBP 1'000	GBP 1'000	up to 2.00%	up to 5% of net asset value	GBP 100
<b>Class MUS D35 Man AHL Diversity - USD Shares</b>	LU0428347859	10162238	A0RNVJ	Accumulative	US dollar (USD)	Dormant	No	USD 1'000	USD 1'000	USD 1'000	up to 2.75%	up to 5% of net asset value	USD 100
<b>Class MUS D36 Man AHL Diversity - USD Shares</b>	LU0428347776	10162245	A0RNVK	Accumulative	US dollar (USD)	Dormant	No	USD 1'000	USD 1'000	USD 1'000	up to 2.00%	up to 5% of net asset value	USD 100
<b>Class MUS D134 Man AHL Diversity – EUR Shares</b>	LU0560085945	12019347		Accumulative	Euro (EUR)	Dormant	No	EUR 2'000'000	EUR 1'000	EUR 1'000	up to 2.75%	up to 5% of net asset value	EUR 100
<b>Class MUS D135 Man AHL Diversity – EUR Shares</b>	LU0560086083	12019353		Accumulative	Euro (EUR)	Dormant	No	EUR 2'000'000	EUR 1'000	EUR 1'000	up to 2.00%	up to 5% of net asset value	EUR 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
Class MUS D162 Man AHL Diversity – CAD Shares	LU0625362339			Accumulative	Canadian dollar (CAD)	Dormant	No	CAD 1'000	CAD 1'000	CAD 1'000	up to 2.75%	up to 5% of net asset value	CAD 100
Class MUS D163 Man AHL Diversity – CAD Shares	LU0625362412			Accumulative	Canadian dollar (CAD)	Dormant	No	CAD 1'000	CAD 1'000	CAD 1'000	up to 2.00%	up to 5% of net asset value	CAD 100

## Appendix 8: Man GLG Multi-Strategy

### 1. Investment objective and strategy

#### *Investment objective*

The investment objective of the Man Umbrella SICAV – Man GLG Multi-Strategy (hereinafter referred to as the 'Sub-Fund') is to provide shareholders of each Share Class with consistent long-term capital appreciation.

#### *Investment strategy*

In order to achieve its investment objective, the Sub-Fund will invest in a diversified portfolio of UCITS and non-UCITS of which a majority invest in alternative investment strategies (each a 'Target Fund' and 'Target Funds' shall be construed accordingly). The Sub-Fund may invest up to 20% of its net assets in any Target Fund and up to 100% of its net assets in aggregate in Target Funds, provided that investments in non-UCITS do in aggregate not exceed 30% of the Sub-Funds' net assets. Notwithstanding the foregoing, the Sub-Fund primarily focuses on investments in UCITS. The Sub-Fund may also invest in other sub-funds of the Fund<sup>1</sup>.

The investment manager will apply a broad discretion to dynamically allocate the Sub-Fund Assets to the Target Funds it deems appropriate to achieve the Sub-Fund's investment objective and has classified the Target Funds in different categories of investment strategy. The categories are 'Equity Long-Short' (e.g. specialist equity strategies with a low directional bias), 'Risk Seeking' (e.g. credit, convertible bonds, emerging markets and long-only equity strategies) and 'Diversifying' (e.g. global macro, managed futures and overlay or hedging strategies). It is expected that the Sub-Fund Assets will be allocated dynamically between such categories. The Investment Manager in its own discretion may also allocate to Target Funds which fall in neither of the foregoing categories. A detailed breakdown of the current allocations to the Target Funds will be published on [www.man.com](http://www.man.com) on at least a monthly basis.

The Sub-Fund may retain amounts in liquid assets e.g. during portfolio rebalancing, to pay for any margin requirements for the foreign currency hedging or if it is considered appropriate to achieve the investment objective. Any such investments will be ancillary to the primary investment strategy of the Sub-Fund.

The Sub-Fund may use Derivatives for efficient portfolio management of the Sub-Fund's assets and, in particular, the Sub-Fund may, for the purpose of hedging (whether against currency exchange or interest rate risks or otherwise), purchase or sell put options and call options, spot contracts and forward contracts and financial futures. Such efficiency and hedging investments are ancillary to the primary investment strategy of investing into Target Funds.

The Sub-Fund will not employ any other techniques and instruments such as securities lending or repurchase or reverse repurchase transactions.

The above investments held by the Sub-Fund shall constitute the assets of the Sub-Fund (the 'Sub-Fund Assets').

The Sub-Fund may only borrow up to 10% of its Net Sub-Fund Assets; provided that such borrowing is in particular for covering a cash shortfall caused by mismatched settlement dates on purchase and sale transactions or on a temporary basis to finance

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<sup>1</sup>Since the amendment of the articles of incorporation of the Fund resolved by the extraordinary general meeting of shareholders of the Fund of 12 October 2011.

repurchases. The Sub-Fund Assets may be charged as security for any such borrowings. The Sub-Fund may not borrow for leveraging purposes.

The Sub-Fund will have no maturity date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the general part of the Prospectus and the articles of incorporation of the Fund.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out in the section 'General investment guidelines and restrictions' of the general part of the Prospectus.

Generally, investments will be realised in compliance with rules and limitations set out in the Law of 17 December 2010, as amended and updated, and in all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, and the Grand-Ducal Regulation of 8th February 2008, as summarized under section 'General investment guidelines and restrictions' of the general part of the Prospectus.

The Sub-Fund is managed by MI (CH) (the 'Investment Manager'). The Investment Manager will use an absolute value-at-risk model to monitor the Sub-Funds' global exposure. The sub-fund is not expected to make any systematic use of leverage.

## **2. Investment risks**

PROSPECTIVE INVESTORS ARE ADVISED TO READ CAREFULLY THESE SPECIFIC RISKS ASSOCIATED WITH AN INVESTMENT IN THE SUB-FUND. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE SUB-FUND OR A DECISION TO INVEST IN THE SUB-FUND.

Details of certain risks associated with an investment in the Sub-Fund are described in the following:

### *(a) Risk factors relating to the Sub-Fund*

Investors should note that the Sub-Fund is not guaranteed or otherwise capital protected.

The Investment Manager may allocate part or all of the Sub-Fund's assets to Target Funds whose investment manager is under common management and control with the Investment Manager. Conflicts of interest (if any) arising from such investments will be managed as described in the section headed 'Conflicts of interest' in the general part of the prospectus.

Investment results for the different Share Classes may vary substantially over time. This can be related to a variety of factors non-exclusively including corporate action, macro-economic factors and speculation.

The investments of the Sub-Fund will be denominated primarily in USD and any return on such investments will therefore be paid in the same currency. However, the Sub-Fund may also hold assets that are denominated in currencies other than US dollars (USD), and therefore will be exposed to currency risk and fluctuations in foreign exchange rates can impact performance.

If the Shares of a Share Class can be subscribed and redeemed in a currency other than the reference currency of the Sub-Fund, which is US dollars (USD), a fluctuation in exchange rates could cause the value of an investment made by shareholders to diminish or increase irrespective of performance and therefore substantially impact the performance of such Share Class expressed in the corresponding Share Class currency. The Investment Manager may seek to mitigate such risks through hedging transactions. It may not be practicable to adjust these hedging transactions to account for the changes in the foreign exchange exposure arising between two roll dates, in which case any losses caused by adverse movements of the exchange rate between the currency of a Share Class and USD will be borne by the shareholders of that Share Class. In addition, to the extent these hedging transactions are imperfect or are only placed over a portion of the foreign exchange exposure, the shareholders of that Share Class will bear the resulting benefit or loss. There is no guarantee that it will be possible to remove all currency exposure. Attention is further invited to the risk that with respect to the different currency Share Classes within the

Sub-Fund, currency hedging transactions for one Share Class may in extreme cases adversely affect the net asset value of the other Share Classes within the Sub-Fund since the single Share Classes do not constitute a legally independent portfolio. Through entering into the aforementioned hedging transactions, the Sub-Fund will become exposed to the credit of the counterparty to such transactions. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and incur fees and expenses by enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

Investors should be also aware that currency fluctuations between the currency of the Share Class and the investors' currency of reference may adversely affect the value of an investment in the Sub-Fund.

The net asset value per Share will differ on each official valuation point as the value of the Sub-Fund's assets will increase or decrease over time principally by reference to the performance of the Target Funds, and as the fees and expenses in relation to the Sub-Fund will accrue over time.

The exposure of the Sub-Fund to the Target Funds can be variable and depends on different factors such as fees, transaction costs, subscriptions and redemptions, margin requirements for currency hedging purposes or other investment considerations.

Because of substantial redemptions by Shareholders within a short time period the Investment Manager might be forced to liquidate investments more rapidly than originally expected. Such accelerated liquidation might disrupt the Investment Manager's investment strategy and might have a negative impact on the Sub-Fund's performance.

The investment manager will monitor the liquidity of the Target Funds in order to ensure the Sub-Fund's ability to pay out redemption proceeds but the Sub-Fund ultimately depends on the timely receipt of redemption proceeds from the Target Funds. If therefore one or more of the Target Funds would restrict or suspend the possibility to redeem shares or otherwise delay the pay-out of redemption proceeds, the Sub-Fund may be forced to implement similar measures in order to protect the best interest of shareholders.

The Sub-Fund is daily tradable. Frequent dealing by investors associated with the intention of the Investment Manager to constantly keep the liquidity of the Sub-Fund as well as the Sub-Fund's exposure to the Target Funds up to the intended level increases the transaction costs. These costs will dilute the value of the Sub-Fund for existing or remaining shareholders in the long-term, this adverse effect is known as dilution.

The Sub-Fund operates within the limits of and complies with the rules by the UCITS directive (No.2009/65/EC of 13 July 2009 as amended). As this directive as well as Luxembourg laws and the laws in jurisdictions where the Sub-Fund may make investments are subject to change there is a risk that the operations of the Sub-Fund are negatively affected by such changes and may even become unlawful because of such changes of law which would consequently lead to the liquidation of the Sub-Fund.

No assurance can be given that the Investment Manager will be able to obtain appropriate investment opportunities to accommodate future significant increases in the Sub-Fund's assets due to future subscriptions. This may adversely affect the performance of the Sub-Fund because the Investment Manager may not be able to invest all assets of the Sub-Fund. Especially due to the risk diversification and counterparty risk limit requirements imposed by the UCITS directive the Sub-Fund may not be allowed to increase its position in some Target Funds above a certain level.

#### *(b) Risk factors relating to the Target Funds*

The investment in the Target Funds is subject to certain risks which depend on each Target Fund's investment strategy. A non exhaustive selection of these risks is listed below. The offering documents of each Target Fund which include a more detailed account of the risks may be requested from Fund or the Management Company.

### *General market risk*

The investments of each Target Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Each Target Fund will typically maintain a diversified portfolio of investments in accordance with the UCITS Regulations so as to reduce risk but the price of the Shares can go down as well as up and investors may not realise their initial investment.

Investing in underdeveloped countries, generally involves special risks. The value of investments in particular countries may be affected by a number of factors including changes in currency rates, exchange control regulations, expropriation or nationalisation of a company's assets, taxes, delays in settlement of transactions, changes in governmental economic or monetary policies or other political and economic factors. There may also be additional risks attendant to holding securities in sub-custodians located in developing or emerging market countries.

Investments in emerging market countries may involve further risks in addition to those identified above for investments in international securities. Economies in emerging market countries generally are dependent heavily upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade. There may be a lack of liquidity for emerging market securities; interest rates and relevant currency exchange rates may be more volatile; sovereign limitations on these investments may be more likely to be imposed; there may be significant balance of payment deficits; and their economies and markets may respond in a more volatile manner to economic changes than those of developed countries.

Lack of adequate custodial systems in some emerging market countries may prevent investment in a given country or may require a Target Fund to accept greater custodial risks than in developed countries in order to invest in such countries. It should be noted that settlement mechanisms in emerging market countries are generally less developed and reliable than those in more developed countries and that this, therefore, increases the risk of settlement default, which could result in substantial losses for a Target Fund in respect to its investments in emerging market countries. In addition, the legal infrastructure and accounting, auditing and reporting standards in emerging market countries in which a Target Fund may invest may not provide the same degree of information to investors as would generally apply in more developed markets. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from accounting standards in more developed markets.

### *Emerging Markets*

Some of the Target Funds may invest in various markets, some of which may be considered as 'emerging markets'. Many emerging markets are developing both economically and politically and may have relatively unstable governments and economies based on only a few commodities or industries. Many emerging market countries do not have firmly established product markets and companies may lack depth of management or may be vulnerable to political or economic developments such as nationalisation of key industries. Investments in companies and other entities in emerging markets and investments in emerging market sovereign debt may involve a high degree of risk and may be speculative.

Risks include: (i) greater risk of expropriation, confiscatory taxation, nationalisation, social and political instability (including the risk of changes of government following elections or otherwise) and economic instability; (ii) the relatively small current size of some of the markets for securities and other investments in emerging markets issuers and the current relatively low volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which may restrict a Target Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; (iv) the absence of developed legal structures governing private or foreign investment and private property; (v) the potential for higher rates of inflation or hyper-inflation; (vi) currency risk and the imposition, extension or continuation of foreign exchange controls; (vii) interest rate risk; (viii) credit risk; (ix) lower levels of democratic accountability; (x) differences in accounting standards and auditing practices which may result in unreliable financial information; and (xi) different corporate governance frameworks.

The emerging markets risks described above increase counterparty risks for those Target Funds invested in these markets. In addition, investor risk aversion to emerging markets can have a significant adverse effect on the value and/or liquidity of investments made in or exposed to such markets and can accentuate any downward movement in the actual or anticipated value of such investments which is caused by any of the factors described above.

Emerging markets are characterised by a number of market imperfections, analysis of which requires long experience in the market and a range of complementary specialist skills. These inefficiencies include: (i) the effect of politics on sovereign risk and asset price dynamics; (ii) institutional imperfections in emerging markets, such as deficiencies in formal bureaucracies and historical or cultural norms of behaviour at the level of individual economic factors; (iii) the fact that asset classes in emerging markets are still developing and the information driving markets is a small proportion of the available information, and underlying development and sovereign risk fundamentals may take days, months and sometimes years to impact asset prices; (iv) liquidity imperfections and the unpredictability of market concentration; and (v) information asymmetries, most typically the result of experience and local knowledge and the fact that some market participants have access to relevant market information that others do not. The Target Funds may seek to take advantage of these market imperfections to achieve the investment objectives of the relevant Portfolios. It is not, however, guaranteed that it will be able to do so at any time.

In the recent past, the tax systems of some emerging markets countries have been marked by rapid change, which has sometimes occurred without warning and has been applied with retroactive effect. In these countries, a large national budget deficit often gives rise to an acute government need for tax revenues, while the condition of the economy has reduced the ability of potential taxpayers to meet their tax obligations. In some cases, there is widespread non-compliance with tax laws, insufficient personnel to deal with the problem and inconsistent enforcement of the laws by the inexperienced tax inspectors.

In addition, the market practices in relation to settlement of securities transactions and custody of assets may not be as developed as in developed countries, increasing the risk of conducting transactions in those countries.

#### *Futures and Options Contracts and Hedging Strategies*

Each Target Fund may use futures and options for efficient portfolio management and to attempt to hedge or reduce the overall risk of its investments or for investment purposes. A Target Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including: (i) dependence on the Target Funds' ability to predict movements in the price of securities being hedged and movements in interest rates; (ii) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the relevant Target Funds; (iii) the absence of a liquid market for any particular instrument at any particular time; (iv) the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty (see 'Counterparty Risk' below); (v) the degree of leverage inherent in futures trading, i.e., the low margin deposits normally required in futures trading means that futures trading may be highly leveraged. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a Target Fund; and (vi) possible impediments to effective portfolio management or the ability to meet repurchase requests or other short-term obligations because of the percentage of a Target Fund's assets segregated to cover its obligations.

#### *Derivative Instruments*

Each Target Fund may enter into swaps and other derivative instruments, such as credit derivatives. These swaps, options and other derivative instruments are subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty (see 'Counterparty Risk' below), legal risk, and operations risk. These instruments may produce an unusually or unexpectedly high amount of losses. In addition, a Target Fund may, in the future, take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. Special risks may apply in the future that cannot be determined at this time. The regulatory and tax environment for derivative instruments in which the Target Funds may participate is evolving, and changes in the regulation or taxation of such securities may have a material adverse effect on the Target Funds. A Target Fund may also use derivative instruments to take short positions in some



investments. Should the value of such investments increase, it will have a negative impact on the Target Fund's value. In extreme market conditions, the Target Fund may be faced with theoretically unlimited losses. Such extreme market conditions could mean that the Sub-Fund could, in certain circumstances, face minimal or no returns, or may even suffer a loss on its investments.

#### *Risks associated with investments in high yield and distressed debt*

A Target Fund may invest in obligors and issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive problems, or in obligors and issuers that are involved in bankruptcy or reorganization proceedings. Among the problems involved in investments in troubled obligors and issuers is the fact that it may frequently be difficult to obtain full information as to the conditions of such obligors and issuers. The market prices of such investments are also subject to abrupt and erratic market movements and significant price volatility, and the spread between the bid and offer prices of such investments may be greater than normally expected. It may take a number of years for the market price of such investments to reflect their intrinsic value. Some of the investments held by a Target Fund may not be widely traded, and depending on the investment profile of a particular Target Fund, that Target Fund's exposure to such investments may be substantial in relation to the market for those investments. In addition, there may be no recognised market for some of the investments held in a Target Fund, with the result that such investments are likely to be illiquid. As a result of these factors, the investment objectives of the relevant Target Fund may be more difficult to achieve.

#### *Counterparty Risk*

The Target Funds will be exposed to credit risk on the counterparties with which they trade in relation to non-exchange traded futures and options, interest rate swaps as well as any other 'over-the-counter' transaction. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. Non-exchange traded futures and options are agreements specifically tailored to the needs of an individual investor which enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific company or firm involved in the transaction rather than a recognised exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which the Target Funds trade such options or contracts for difference could result in substantial losses to the Target Funds. The participants in 'over-the-counter' or 'interdealer' markets are typically not subject to the credit evaluation and regulatory oversight to which members of 'exchange-based' markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the Target Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Target Funds to suffer a loss. Such 'counterparty risk' is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Target Fund has concentrated its transactions with a single or small group of counterparties. If there is a default by the counterparty to a transaction, the Target Funds will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the relevant Target Fund being less than if the Target Fund had not entered into the transaction.

If one or more of a Target Fund's counterparties were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of such Target Fund's securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, the Target Funds may use counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Target Funds' assets are subject to substantial limitations and uncertainties.

Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Target Funds and their

assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Target Funds, which could be material.

Generally, the Target Funds will not be restricted from dealing with any particular counterparties. A Target Fund's evaluation of the creditworthiness of their counterparties may not prove sufficient. The lack of a complete and 'fool proof' evaluation of the financial capabilities of a Target Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Target Funds.

Regardless of the measures that the Target Funds may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Target Funds will not sustain losses on the transactions as a result.

### **3. Currency**

The reference currency of the Sub-Fund is the US dollar (USD). The share classes have the denominations set out below in Table 8: Share Classes of Man GLG Multi-Strategy.

It is intended to hedge as far as practically possible currency fluctuations of all of the non-US dollar Share Classes against the US dollar by derivative currency hedging transactions. However, in order to avoid excessive collateral, a total hedging may not be sought. Furthermore, for technical reasons such as changes in the value of the Sub-Fund's assets or subscriptions and redemptions of Shares, a temporary divergence from the targeted hedge ratio cannot be excluded.

### **4. Stock exchange listing**

The Sub-Fund may apply for listing of the Shares of Share Classes of the Sub-Fund on the Luxembourg Stock Exchange. Details regarding the listing of Share Classes are set out below in Table 8: Share Classes of Man GLG Multi-Strategy.

### **5. Shares**

The Sub-Fund shall only issue Accumulation Shares. An exception is made for the dividend share classes as described below.

Fractional Shares will be issued as necessary to three decimal places. In the event that the securities clearing institution, such as Clearstream and Euroclear, cannot process fractional Shares and a rounding down to whole Shares is not accepted by the investor, Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded down to three decimal places. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

### **6. Share classes**

#### *General*

The Sub-Fund includes shares of more than one share class. As of the date of this Prospectus not all share classes are active for investment but some are dormant, details of which can be seen from Table 8: Share Classes of Man GLG Multi-Strategy below. Dormant Share Classes can be activated if requested by investors subject to the approval by the Board of Directors and if deemed as having no adverse effect on the Sub-Fund and its shareholders. The initial issue price of a Share Class to be activated will be as set out below in Table 8: Share Classes of Man GLG Multi-Strategy. The Board of Directors may determine the details of an initial offering period for the activation of a Share Class, if any.

All of the Share Classes which are active will be widely available and are available for all investors. The active Share Classes will be marketed and made available sufficiently widely to reach the intended category of investors in a manner appropriate to attract those categories of investors.

### *Dividend share classes*

For the any Class of Share indicated as a 'Dividend Share Class' in Table 8: Share Classes of Man GLG Multi-Strategy (the 'Dividend Share Class') special terms apply. Upon launch of a Dividend Share Class the Board of Directors will determine a fixed annual dividend, expressed as a percentage of the initial issue price, to be paid by such share class for a fixed period of time ('Dividend Period'). The fixed dividend amount will be published on [www.man.com](http://www.man.com). The first dividend will be paid seven business days after the first anniversary of the relevant Dividend Share Class's launch date and on the same date in subsequent calendar years. The Board of Directors may decide not to pay a dividend if such payment would reduce a Dividend Share Class's size to a level which is not economically viable. While the Board of Directors would be entitled to set the fixed annual dividend as aforesaid, they intend to target a 5% annual dividend. This target is not guaranteed and may not be met.

A Dividend Share Class will only be open for subscriptions during an initial offer period determined by the Board of Directors. No subscriptions will be accepted during a Dividend Period. After the end of a Dividend Period each Dividend Share Class will be open for subscription for a limited period of time as determined by the Board of Directors and will be closed again for subscriptions until the end of the following Dividend Period. The Board of Directors will determine a new fixed dividend, the new Dividend period and the payment details. This operation cycle continues until otherwise determined by the Board of Directors.

For the avoidance of doubt, redemptions for Shares of a Dividend Share Class will be processed in line with all other of the Sub-Fund's share classes as described below. Fees (sales commission, management fee, performance fee and administration costs) are applied as per the Sub-Fund's standards. Additional fees may be charged to account for the costs of the dividend payment.

After the end of each Dividend Period the Board of Directors may in its sole discretion decide to either liquidate the relevant Dividend Share Class or convert the shares into shares of another Share Class in the Sub-Fund if the assets of such share class are not considered sufficient to be economically viable.

## **7. Net asset value**

The net asset value per Share of each Share Class in the Sub-Fund will be determined as of each day which is a Business Day (a 'Valuation Day') in the applicable Share Class currency. 'Business Day' means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in Dublin, London, Luxembourg, New York City and Zurich and/or such days as the Board of Directors shall from time to time determine. Following any determination as aforesaid, and for the avoidance of doubt, the Board of Directors will from time to time publish a dealing calendar on [www.man.com](http://www.man.com) which will set out the Sub-Fund's annual Business Days. The net asset value of the Shares in the Sub-Fund as at the Valuation Day shall be calculated and published two Business Days after the Valuation Day.

### *Issue and redemption of shares*

Subscription and redemption requests (the 'Orders') can be made for a number of Shares or cash amounts equal to or greater than the minimum investment as further described below under the heading 'Minimum investment'. In the case of direct subscriptions by private individuals Orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted.

The issue price and the redemption price shall be the net asset value per Share as per the Valuation Day immediately preceding the relevant Dealing Day (as defined below), determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section of the general part of the Prospectus, plus a sales commission of up to 5% of the net asset value per share which is payable to the distribution agent in relation to subscriptions.

### *Processing of subscriptions and redemptions*

As the Sub-Fund is open for investment on every Business Day, Shares in the relevant Share Class in the Sub-Fund may be subscribed for or redeemed on the Business Day following the relevant Valuation Day (a 'Dealing Day').

Orders for subscriptions need to be received by the Registrar and Transfer Agent one Business Day before a Dealing Day prior to 09:00 a.m. (Luxembourg time) (the 'Cut-off Time') in order for such Orders to be processed for such Dealing Day. Orders for redemptions need to be received five Business Days before a Dealing Day prior to the Cut-off Time in order for such Orders to be processed for such Dealing Day. Orders processed for a specific Dealing Day are processed on the basis of the net asset value per Share that corresponds to the Valuation Day immediately preceding such Dealing Day. For the provisions governing the launch of the Sub-Fund please see the section headed 'Launch of the Sub-Fund' below.

Orders received by the Registrar and Transfer Agent after the applicable Cut-off Time shall be deemed to be received before the next following Cut-off Time for such orders to be processed for the corresponding Dealing Day.

The standard settlement period for subscriptions is within three Business Days and for redemptions within six Business Days following the relevant Dealing Day. In the case of direct subscriptions private individual investors must provide cleared funds to be received by the Custodian no later than one Business Day before a Dealing Day prior to the Cut-off Time. Full payment instructions may be obtained through the Registrar and Transfer Agent.

When subscribing, investors must make payment in the currency of the relevant Share Class. In addition, investors may subscribe in another freely convertible currency. The Registrar and Transfer Agent will arrange for any necessary currency transaction to convert the subscription monies into the currency of the relevant Share Class. Any such currency transaction will be effected with the Registrar and Transfer Agent at the investor's risk and cost. Such currency exchange transactions may delay the subscription process.

No Shares will be issued or redeemed by the Sub-Fund during any period in which the calculation of the net asset value per Share is suspended. Orders made or pending during such suspension may be withdrawn by notice in writing received by the Registrar and Transfer Agent prior to the end of such suspension period. Orders that are not withdrawn will be considered on the first Business Day immediately following the end of such suspension period.

As provided for in the general part of the Prospectus, the Fund may resolve to redeem Shares of the Sub-Fund only when sufficient assets have been sold and the proceeds thereof have been received, in case of a large volume of redemption applications being received in respect of the Sub-Fund, having regard to the overall interests of shareholders of the Sub-Fund.

#### *Processing of conversions*

Conversions of Shares of the Sub-Fund into Shares of another sub-fund or of Shares of another sub-fund into Shares of the Sub-Fund are not possible. This shall however not affect the possibility for shareholders to convert Shares of one Share Class into Shares of another Share Class within the Sub-Fund.

### **8. Fees and expenses**

Details of certain fees and expenses associated with an investment in the Sub-Fund may be found in the general part of the Prospectus. Thus, this section should be read in conjunction with the section headed 'Fees and Expenses' in the general part of the Prospectus.

#### *Management fee*

No management fee is charged.

#### *Performance fee*

No performance fee is charged.

### *Administrative and operating costs*

The aggregate fees and costs for the Sub-Fund (such as fees payable to the custodian bank, Central Administrative Agent and Registrar and Transfer Agent) are, as of the Launch Date, expected not to exceed 0.40% per annum of the Net Sub-Fund Assets attributable to the Sub-Fund. Taxes payable by the Sub-Fund or on any assets of the Sub-Fund are described separately under the heading 'Fees and Expenses' in the general part of this Prospectus.

### *Underlying fees*

As described under the heading 'Investment objective and strategy' above the sub-fund will invest into the Target Funds, which may include sub-funds of the Fund. The maximum management fee any Target Fund will charge is 3.00% and the maximum performance fee is 20%. The actual average rates will vary over time as a function of the portfolio composition, but are expected to be less than the specified maximum levels. The Target Funds also charge other general fees such as for administration and custody services. Where such Target Fund's investment manager or management company and the Management Company are under common management and control, the sub-fund will not be charged any subscription or redemption fees.

### *Distribution fees*

For the Class MUS D139 Man GLG Multi-Strategy - EUR Shares a distribution fee of 0.25% per annum will be charged, payable to the principal distributor appointed by the Management Company.

## **9. Launch of the Sub-Fund**

The Sub-Fund was launched on 14 June 2011 (the 'Launch Date') by the issuance of Shares of the 'Class MUS D138 Man GLG Multi-Strategy - EUR Shares'.

## **10. Investor profile**

The Sub-Fund is suitable for medium to long-term investors seeking risk-controlled returns. Given the high level of risk involved, the Sub-Fund is only suitable for investors able to sustain significant short-term loss and with a medium-term investment horizon.

**The past performance of this Sub-Fund should not be seen as an indication of future investment performance.**

## **11. Global exposure**

In accordance with the Law of 2010 and the applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority ('ESMA'), the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund. Calculation of global exposure

As part of this risk-management process, the global exposure of the Sub-Fund is measured and controlled by the absolute Value at Risk approach.

In financial mathematics and financial risk management, the Value at Risk ('VaR') is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the investment portfolio over the given time horizon exceeds this value (assuming normal market conditions and no trading in the investment portfolio) is the given probability level.

The Sub-Fund's VaR is limited by an absolute VaR calculated on the basis of the net asset value of the Sub-Fund and not exceeding a maximum VaR limit determined by the Management Company taking into account the investment policy and the risk profile of the Sub-Fund.

## Leverage

In addition to measure and control the global exposure of the Sub-Fund by the absolute Value at Risk approach, the Sub-Fund assesses the level of leverage generated by the use of financial derivative instruments in accordance with the Law of 2010 and the applicable regulations, including circulars and other publications of the CSSF and ESMA. The expected level of leverage using the sum of the notionals for derivatives is 100%, based on the net asset value of the Sub-Fund. However, since for this Sub-Fund derivative instruments are mainly used for the purpose of mitigating FX risk on the non-USD denominated share classes (usually via FX forward arrangements), the overall leverage and risk of the Sub-Fund may be overestimated since the methodology does not take into account any netting arrangements. The expected level of leverage using the commitment approach, which methodology allows netting arrangements, is 0%. Under certain circumstances, the level of leverage might exceed the before mentioned levels, but is not expected to exceed 125% using the sum of the notionals approach and 0% using the commitment approach.

## 12. Minimum level for the Sub-Fund to be operated in an economically efficient manner

The Board of Directors may in its full discretion decide to introduce a minimum amount which is generally considered to be the minimum level for the Sub-Fund to be operated in an economically efficient manner.

## 13. Minimum amounts

The minimum investment amounts, minimum increment amounts for additional investments of existing Shareholders and minimum redemption amounts for each Share Class are set out below in Table 8: Share Classes of Man GLG Multi-Strategy.

The minimum investment and minimum redemption amounts are subject to the discretion of the Board of Directors as lesser amounts can be accepted. In case the value of a shareholder's investment has decreased to an amount below the minimum redemption amount shown in the table above, the Shareholder shall be entitled to redeem such lower amount in total.

Notwithstanding the aforementioned, a monthly investment plan (the 'Plan') is available for the Share Classes listed in the table below through distribution agents to enable an investor to build up a holding of Shares by regular monthly payments of at least the following investment amounts without making the normal minimum investment:

Share Class	Minimum Investment Amount
Class MUS D138 Man GLG Multi-Strategy - EUR Shares	EUR 50
Class MUS D139 Man GLG Multi-Strategy - EUR Shares	EUR 50
Class MUS D140 Man GLG Multi-Strategy - USD Shares	USD 50
Class MUS D141 Man GLG Multi-Strategy - CHF Shares	CHF 50
Class MUS D142 Man GLG Multi-Strategy - GBP Shares	GBP 50

Share Class	Minimum Investment Amount
Class MUS D143 Man GLG Multi-Strategy - CAD Shares	CAD 50
Class MUS D144 Man GLG Multi-Strategy - DKK Shares	DKK 500
Class MUS D145 Man GLG Multi-Strategy - NOK Shares	NOK 500
Class MUS D146 Man GLG Multi-Strategy - SEK Shares	SEK 500
Class MUS D147 Man GLG Multi-Strategy - CZK Shares	CZK 1'000
Class MUS D148 Man GLG Multi-Strategy - PLN Shares	PLN 250
Class MUS D149 Man GLG Multi-Strategy - SGD Shares	SGD 100
Class MUS D150 Man GLG Multi-Strategy - HKD Shares	HKD 500
Class MUS D151 Man GLG Multi-Strategy - TWD Shares	TWD 50'000
Class MUS D152 Man GLG Multi-Strategy - CNY Shares	CNY 5'000
Class MUS D153 Man GLG Multi-Strategy - AUD Shares	AUD 500
Class MUS D154 Man GLG Multi-Strategy - KRW Shares	KRW 1'000'000
Class MUS D155 Man GLG Multi-Strategy - TRY Shares	TRY 1'000

Table 8: Share Classes of Man GLG Multi-Strategy

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D138 Man GLG Multi-Strategy - EUR Shares</b>	LU0620439462	12954175	A1H96Y	Accumulative	Euro (EUR)	Active	Yes	EUR 1'000	EUR 1'000	EUR 1'000	0%	up to 5% of net asset value	EUR 100
<b>Class MUS D139 Man GLG Multi-Strategy - EUR Shares</b>	LU0620439546			Accumulative	Euro (EUR)	Dormant	n/a	EUR 1'000	EUR 1'000	EUR 1'000	0%	up to 5% of net asset value	EUR 100
<b>Class MUS D140 Man GLG Multi-Strategy - USD Shares</b>	LU0620439629			Accumulative	US dollar (USD)	Active	No	USD 1'000	USD 1'000	USD 1'000	0%	up to 5% of net asset value	USD 100
<b>Class MUS D141 Man GLG Multi-Strategy - CHF Shares</b>	LU0620439892	13061500		Accumulative	Swiss franc (CHF)	Active	Yes	CHF 1'000	CHF 1'000	CHF 1'000	0%	up to 5% of net asset value	CHF 100
<b>Class MUS D142 Man GLG Multi-Strategy - GBP Shares</b>	LU0620439975			Accumulative	Pound sterling (GBP)	Active	No	GBP 1'000	GBP 1'000	GBP 1'000	0%	up to 5% of net asset value	GBP 100



Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D143 Man GLG Multi-Strategy - CAD Shares</b>	LU0620440049			Accumulative	Canadian dollar (CAD)	Dormant	No	CAD 1'000	CAD 1'000	CAD 1'000	0%	up to 5% of net asset value	CAD 100
<b>Class MUS D144 Man GLG Multi-Strategy - DKK Shares</b>	LU0620440122			Accumulative	Danish Krone (DKK)	Dormant	n/a	DKK 10'000	DKK 10'000	DKK 10'000	0%	up to 5% of net asset value	DKK 100
<b>Class MUS D145 Man GLG Multi-Strategy - NOK Shares</b>	LU0620440395	13061505		Accumulative	Norwegian Krone (NOK)	Active	Yes	NOK 10'000	NOK 10'000	NOK 10'000	0%	up to 5% of net asset value	NOK 100
<b>Class MUS D146 Man GLG Multi-Strategy - SEK Shares</b>	LU0620440478	13061506		Accumulative	Swedish Krone (SEK)	Active	Yes	SEK 10'000	SEK 10'000	SEK 10'000	0%	up to 5% of net asset value	SEK 100
<b>Class MUS D147 Man GLG Multi-Strategy - CZK Shares</b>	LU0620440551			Accumulative	Czech koruna (CZK)	Dormant	n/a	CZK 20'000	CZK 20'000	CZK 20'000	0%	up to 5% of net asset value	CZK 100
<b>Class MUS D148 Man GLG Multi-Strategy - PLN Shares</b>	LU0620440635			Accumulative	Polish zloty (PLN)	Dormant	n/a	PLN 5'000	PLN 5'000	PLN 5'000	0%	up to 5% of net asset value	PLN 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D149 Man GLG Multi-Strategy - SGD Shares</b>	LU0620440718			Accumulative	Singapore dollar (SGD)	Dormant	n/a	SGD 20'000	SGD 20'000	SGD 2'000	0%	up to 5% of net asset value	SGD 100
<b>Class MUS D150 Man GLG Multi-Strategy - HKD Shares</b>	LU0620440809			Accumulative	Hong Kong dollar (HKD)	Dormant	n/a	HKD 10'000	HKD 10'000	HKD 10'000	0%	up to 5% of net asset value	HKD 100
<b>Class MUS D151 Man GLG Multi-Strategy - TWD Shares</b>	LU0620440981			Accumulative	Taiwan Dollar (TWD)	Dormant	n/a	TWD 50'000	TD 50'000	TWD 50'000	0%	up to 5% of net asset value	TWD 100
<b>Class MUS D152 Man GLG Multi-Strategy - CNY Shares</b>	LU0620441104			Accumulative	Chinese Yuan Renminbi (CNY) <sup>1</sup>	Dormant	n/a	CNY 10'000	CNY 10'000	CNY 10'000	0%	up to 5% of net asset value	CNY 100

<sup>1</sup> Subscriptions and redemptions of share classes denominated in CNY are settled in EUR.

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D153 Man GLG Multi-Strategy - AUD Shares</b>	LU0620441369			Accumulative	Australian Dollar (AUD)	Active <sup>2</sup>	No	AUD 1'000	AUD 1'000	AUD 1'000	0%	up to 5% of net asset value	AUD 100
<b>Class MUS D154 Man GLG Multi-Strategy - KRW Shares</b>	LU0620441443			Accumulative	South-Korean Won (KRW)	Dormant	n/a	KRW 2'000'000	KRW 2'000'000	KRW 2'000'000	0%	up to 5% of net asset value	KRW 100
<b>Class MUS D155 Man GLG Multi-Strategy - TRY Shares</b>	LU0620441526			Accumulative	Turkish Lira (TRY)	Dormant	n/a	TRY 2'000	TRY 2'000	TRY 2'000	0%	up to 5% of net asset value	TRY 100
<b>Class MUS D196 Man GLG Multi-Strategy - SGD Shares</b>	LU0851819804			Dividend	Singapore dollar (SGD)	Dormant	n/a	SGD 20'000	SGD 20'000	SGD 2'000	0%	up to 5% of net asset value	SGD 100

<sup>2</sup> Class MUS D153 Man GLG Multi-Strategy - AUD Shares has been closed for new investors.

## Appendix 9: GLG Flexible Bond Fund

### 1. Investment objective and strategy

#### *Investment objective*

The investment objective of the Man Umbrella SICAV – GLG Flexible Bond Fund (hereinafter referred to as the 'Sub-Fund') is to achieve an above average level of return, through income and capital appreciation, investing primarily in: debt securities, global currencies, money market instruments, time deposits, and any associated derivatives.

#### *Investment strategy and policy*

To achieve the investment objective the Sub-Fund may invest either directly or indirectly in fixed and floating rate securities (such as government or corporate bonds), convertible bonds and convertible preference shares, index-linked securities, Derivatives (including credit derivatives, interest rate derivatives and foreign exchange derivative contracts), time deposits and money market instruments, globally. There may be occasions, in exceptional market conditions or where the Investment Manager is of the opinion that there are inappropriate or insufficient investment opportunities in the above securities, where the Sub-Fund may have significant holdings of cash and cash equivalents such as, but without limitation, liquid government debt instruments and money market instruments.

The Sub-Fund may use Derivatives for efficient portfolio management of the Sub-Fund's assets and, in particular, the Sub-Fund may, for the purpose of hedging (whether against currency exchange or interest rate risks or otherwise), purchase or sell put options and call options, spot contracts and forward contracts and financial futures. Such efficiency and hedging investments are ancillary to the primary investment strategy.

Furthermore, the Sub-Fund may use Derivatives for purposes other than hedging, subject to the investment restrictions set out in the 'General investment guidelines and restrictions' section in the general part of the Prospectus. This may include the taking of synthetic short positions in investments. Due to the use of Derivatives for investment purposes, the long investment exposure of the Sub-Fund may exceed 100% of the Sub-Fund's net assets.

The Sub-Fund will not employ any other techniques and instruments such as securities lending or repurchase or reverse repurchase transactions.

The Sub-Fund may retain amounts in liquid assets e.g. during portfolio rebalancing, to pay for any margin requirements for the foreign currency hedging or if it is considered appropriate to achieve the investment objective.

The above investments held by the Sub-Fund shall constitute the assets of the Sub-Fund (the 'Sub-Fund Assets').

The Sub-Fund may only borrow up to 10% of its Net Sub-Fund Assets; provided that such borrowing is in particular for covering a cash shortfall caused by mismatched settlement dates on purchase and sale transactions or on a temporary basis to finance repurchases. The Sub-Fund Assets may be charged as security for any such borrowings.

The Sub-Fund will have no maturity date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the general part of the Prospectus and the articles of incorporation of the Fund.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out in the section 'General investment guidelines and restrictions' of the general part of the Prospectus.

Generally, investments will be realised in compliance with rules and limitations set out in the Law of 17 December 2010, as amended and updated, and in all the circulars issued by the CSSF with respect to investment restrictions applicable to UCITS, and the Grand-Ducal Regulation of 8th February 2008, as summarized under section 'General investment guidelines and restrictions' of the general part of the Prospectus.

THE SUB-FUND MAY INVEST IN ACCORDANCE WITH THE PRINCIPLE OF RISK DIVERSIFICATION UP TO 100% IN GOVERNMENT AND PUBLIC SECURITIES ISSUERS FOR TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ISSUED OR GUARANTEED BY AN EU MEMBER STATE, BY ITS LOCAL AUTHORITIES, BY ANY OTHER OECD MEMBER STATE, OR BY ANY PUBLIC INTERNATIONAL BODY OF WHICH ONE OR MORE EU MEMBER STATES ARE MEMBERS, PROVIDED THAT (I) SUCH SECURITIES FORM PART OF AT LEAST SIX SEPARATE ISSUES AND (II) NO MORE THAN 30% OF THE NET SUB-FUND ASSETS ARE INVESTED IN TRANSFERABLE SECURITIES FROM ANY ONE ISSUE.

The Sub-Fund shall ensure that the aforementioned transactions are consistently kept at a level that would allow it to meet its obligations to redeem Sub-Fund Shares in full at any time.

## **2. Investment risks**

PROSPECTIVE INVESTORS ARE ADVISED TO READ CAREFULLY THESE SPECIFIC RISKS ASSOCIATED WITH AN INVESTMENT IN THE SUB-FUND. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE SUB-FUND OR A DECISION TO INVEST IN THE SUB-FUND.

Details of certain risks associated with an investment in the Sub-Fund are described in the following:

Investors should note that the Sub-Fund is not guaranteed or otherwise capital protected.

Investment results for the different Share Classes may vary substantially over time. This can be related to a variety of factors non-exclusively including currency hedging, fees and flows into and out of the Share Classes.

The Sub-Fund may hold assets that are denominated in currencies other than EUR, and therefore will be exposed to currency risk and fluctuations in foreign exchange rates can impact performance.

If the Shares of a Share Class can be subscribed and redeemed in a currency other than the reference currency of the Sub-Fund, which is EUR, a fluctuation in exchange rates could cause the value of an investment made by shareholders to diminish or increase irrespective of performance and therefore substantially impact the performance of such Share Class expressed in the corresponding Share Class currency. The Investment Manager may seek to mitigate such risks through hedging transactions. It may not be practicable to adjust these hedging transactions to account for the changes in the foreign exchange exposure arising between two roll dates, in which case any losses caused by adverse movements of the exchange rate between the currency of a Share Class and EUR will be borne by the shareholders of that Share Class. In addition, to the extent these hedging transactions are imperfect or are only placed over a portion of the foreign exchange exposure, the shareholders of that Share Class will bear the resulting benefit or loss. There is no guarantee that it will be possible to remove all currency exposure. Attention is further invited to the risk that with respect to the different currency Share Classes within the Sub-Fund, currency hedging transactions for one Share Class may in extreme cases adversely affect the net asset value of the other Share Classes within the Sub-Fund since the single Share Classes do not constitute a legally independent portfolio. Through entering into the aforementioned hedging transactions, the Sub-Fund will become exposed to the credit of the counterparty to such transactions. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and incur fees and expenses by enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

Investors should be also aware that currency fluctuations between the currency of the Share Class and the investors' currency of reference may adversely affect the value of an investment in the Sub-Fund.

Because of substantial redemptions by Shareholders within a short time period the Investment Manager might be forced to liquidate investments more rapidly than originally expected. Such accelerated liquidation might disrupt the Investment Manager's investment strategy and might have a negative impact on the Sub-Fund's performance.

The Sub-Fund operates within the limits of and complies with the rules by the UCITS directive (No. 2009/65/EC of 13 July 2009 as amended). As this directive as well as Luxembourg laws and the laws in jurisdictions where the Sub-Fund may make investments are subject to change there is a risk that the operations of the Sub-Fund are negatively affected by such changes and may even become unlawful because of such changes of law which would consequently lead to the liquidation of the Sub-Fund.

No assurance can be given that the Investment Manager will be able to obtain appropriate investment opportunities to accommodate future significant increases in the Sub-Fund's assets due to future subscriptions. This may adversely affect the performance of the Sub-Fund because the Investment Manager may not be able to invest all assets of the Sub-Fund. Especially due to the risk diversification and counterparty risk limit requirements imposed by the UCITS directive the Sub-Fund may not be allowed to increase its position in some assets above a certain level.

### **3. General market risk**

The investments of the Sub-Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested. There is no assurance that the investment objective of the Sub-Fund will actually be achieved. Investors requiring income are reminded that income from investments may fluctuate in value and in money terms.

Investing in underdeveloped countries, generally involves special risks. The value of investments in particular countries may be affected by a number of factors including changes in currency rates, exchange control regulations, expropriation or nationalisation of a company's assets, taxes, delays in settlement of transactions, changes in governmental economic or monetary policies or other political and economic factors. There may also be additional risks attendant to holding securities in sub-custodians located in developing or emerging market countries.

Investments in emerging market countries may involve further risks in addition to those identified above for investments in international securities. Economies in emerging market countries generally are dependent heavily upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade. There may be a lack of liquidity for emerging market securities; interest rates and relevant currency exchange rates may be more volatile; sovereign limitations on these investments may be more likely to be imposed; there may be significant balance of payment deficits; and their economies and markets may respond in a more volatile manner to economic changes than those of developed countries.

Lack of adequate custodial systems in some emerging market countries may prevent investment in a given country or may require to accept greater custodial risks than in developed countries in order to invest in such countries. It should be noted that settlement mechanisms in emerging market countries are generally less developed and reliable than those in more developed countries and that this, therefore, increases the risk of settlement default, which could result in substantial losses in respect to the Sub-Fund's investments in emerging market countries. In addition, the legal infrastructure and accounting, auditing and reporting standards in emerging market countries may not provide the same degree of information to investors as would generally apply in more developed markets. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from accounting standards in more developed markets.

### **4. Investment matters**

Corporate bonds may provide high yields and as such may carry greater credit risk, increasing the risk of default on repayment and erosion of the capital value of the Sub-Fund. Movements in interest rates are likely to affect the capital value of such securities.

If the issuer of a bond or monetary instrument were to be affected by economic or financial difficulties, the value of the said instruments or relevant securities could be affected (and even fall to zero) and hence affect the Net Asset Value per share.

In pursuit of its objective, the Sub-Fund may invest in specific instruments involving exposure to the credit risks of underlying issuers, notably asset backed securities (included but not limited to CLO's , RMBS and CMBS). Hence this Sub-Fund would be exposed to all or part of the credit events relating to a basket of issuers, among such risks being:

- bankruptcy or the equivalent;
- default of payment;
- unacknowledged debt or debt past its due date; or
- debt restructuring.

The yield on these Sub-Fund Assets is affected by such credit events as they may occur. The exposure to credit events increases according to the number of creditors of the issuer who rank in priority to the Sub-Fund (i.e. the degree of subordination of the Sub-Fund's rights to payment). The impact of these credit risks is all the greater as the investment is subordinate to greater numbers of creditors. The most subordinated tranches, and therefore those most exposed to the risk of default, are the equity tranches. In the case of an equity tranche, a credit event affecting an underlying issuer will entail a loss directly proportional to the representation of that issuer in the basket, the loss being reduced by the amount recoverable.

Investments in debt securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal, especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific corporate developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

## **5. Futures and Options Contracts and Hedging Strategies**

The Sub-Fund may use futures and options for efficient portfolio management and to attempt to hedge or reduce the overall risk of its investments or for investment purposes. The Sub-Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including: (i) dependence on the ability to predict movements in the price of securities being hedged and movements in interest rates; (ii) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Sub-Fund; (iii) the absence of a liquid market for any particular instrument at any particular time; (iv) the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty (see 'Counterparty Risk' below); (v) the degree of leverage inherent in futures trading, i.e., the low margin deposits normally required in futures trading means that futures trading may be highly leveraged. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss; and (vi) possible impediments to effective portfolio management or the ability to meet repurchase requests or other short-term obligations because of the percentage of the Sub-Fund's assets segregated to cover its obligations.

## **6. Derivative Instruments**

The Sub-Fund may enter into swaps and other derivative instruments, such as credit derivatives. These swaps, options and other derivative instruments are subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty (see 'Counterparty Risk' below), legal risk, and operations risk. These instruments may produce an unusually or unexpectedly high amount of losses. In addition, the Sub-Fund may, in the future, take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. Special risks may apply in the future that cannot be determined at this time. The regulatory and tax environment for derivative instruments is evolving, and changes in the regulation or taxation of such securities may have a material adverse effect. The Sub-Fund may also use

derivative instruments to take short positions in some investments. Should the value of such investments increase, it will have a negative impact on the Sub-Fund's value. Extreme market conditions could mean that the Sub-Fund could, in certain circumstances, face minimal or no returns, or investors could even lose all of their investment.

## 7. Counterparty Risk

The Sub-Fund will be exposed to credit risk on the counterparties with which it trades in relation to non-exchange traded futures and options, interest rate swaps as well as any other 'over-the-counter' transaction. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. Non-exchange traded futures and options are agreements specifically tailored to the needs of an individual investor which enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific company or firm involved in the transaction rather than a recognised exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which the Sub-Fund trades such options or contracts for difference could result in substantial losses to the Sub-Fund. The participants in 'over-the-counter' or 'interdealer' markets are typically not subject to the credit evaluation and regulatory oversight to which members of 'exchange-based' markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the Sub-Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-Fund to suffer a loss. Such 'counterparty risk' is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Sub-Fund has concentrated its transactions with a single or small group of counterparties. If there is a default by the counterparty to a transaction, the Sub-Fund will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the Net Asset Value of the Sub-Fund being less than if the Sub-Fund had not entered into the transaction.

If one or more of the Sub-Fund's counterparties were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, the Sub-Fund may use counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Sub-Funds' assets are subject to substantial limitations and uncertainties.

Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Sub-Fund and the Sub-Fund Assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Sub-Fund, which could be material.

Generally, the Sub-Fund will not be restricted from dealing with any particular counterparties. The Sub-Fund's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and 'fool proof' evaluation of the financial capabilities of the counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses.

Regardless of the measures that the Sub-Fund may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result.

## 8. Currency

The reference currency of the Sub-Fund is the EUR. The share classes have the denominations set out below in Table 9: Share Classes of GLG Flexible Bond Fund.



For the share classes indicated as 'Hedged' below in Table 9: Share Classes of GLG Flexible Bond Fund, it is intended to fully hedge, as far as practically possible, currency fluctuations of all of the non-EUR Share Classes against the EUR by derivative currency hedging transactions. For technical reasons such as changes of value of the Sub-Fund's assets or subscriptions and redemptions of Shares, a temporary divergence of the target hedge ratio cannot be excluded. In addition the Sub-Fund may also hold assets that are denominated in currencies other than EUR.

## **9. Stock exchange listing**

The Sub-Fund may apply for listing of the Shares of Share Classes of the Sub-Fund on the Luxembourg Stock Exchange. Details regarding the listing of Share Classes are set out below in Table 9: Share Classes of GLG Flexible Bond Fund.

## **10. Shares**

The Sub-Fund may issue Accumulation Shares and Income Shares, some of which might be dividend share classes as described below. Details are set out below in Table 9: Share Classes of GLG Flexible Bond Fund.

Fractional Shares will be issued as necessary to three decimal places. In the event that the securities clearing institution, such as Clearstream and Euroclear, cannot process fractional Shares and a rounding down to whole Shares is not accepted by the investor, Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded down to three decimal places. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

## **11. Share classes**

### *General*

The Sub-Fund includes shares of more than one share class. As of the date of this Prospectus not all share classes are active for investment but some are dormant, details of which can be seen from Table 9: Share Classes of GLG Flexible Bond Fund below. Dormant Share Classes can be activated if requested by investors subject to the approval by the Board of Directors and if deemed as having no adverse effect on the Sub-Fund and its shareholders. The initial issue price of a Share Class to be activated will be as set out below in Table 9: Share Classes of GLG Flexible Bond Fund. The Board of Directors may determine the details of an initial offering period for the activation of a Share Class, if any.

All of the Share Classes which are active will be widely available and are available for all investors except all Share Classes containing the letter 'I' before the relevant Share Class numbers which are open only for investments by institutional investors. The active Share Classes will be marketed and made available sufficiently widely to reach the intended category of investors in a manner appropriate to attract those categories of investors.

### *Dividend share classes*

For any Class of Share indicated as a 'Dividend Share Class' in Table 9: Share Classes of GLG Flexible Bond Fund (the 'Dividend Share Class') special terms apply. Upon proposal of the Board of Directors to the annual General Meeting, the latter will determine a dividend, expressed as a percentage of the initial issue price, to be paid by such share class. The dividend amount will be published on [www.man.com](http://www.man.com).

The first dividend will be paid seven business days after the date of the annual General Meeting held in the year 2014, and seven business days after the date of each annual General Meeting held in subsequent calendar years. The payment of the dividend and its amount are subject to the approval by the annual General Meeting, which shall be held on the second Friday in May of each year, at 11:00 a.m. (Luxembourg time). The Board of Directors may decide to propose to the annual General Meeting not to pay a dividend.

No subscriptions will be accepted during the period following the initial offer period, which shall end at a date also determined by the Board of Directors ('Closed Investment Period'). After the end of a Closed Investment Period each Dividend Share Class will

be open for subscription for a limited period of time as determined by the Board of Directors and will be closed again for subscriptions until the end of the following Closed Investment Period. This operation cycle continues until otherwise determined by the Board of Directors.

For the avoidance of doubt, redemptions for Shares of a Dividend Share Class will be processed in line with all other of the Sub-Fund's share classes as described below. General fees (sales commission, management fee, performance fee and administrative and operating costs) are applied as per the Sub-Fund's standards.

After the end of each Closed Investment Period the Board of Directors may in its sole discretion decide to either liquidate the relevant Dividend Share Class or convert the shares into shares of another Share Class in the Sub-Fund if the assets of such share class are not considered sufficient to be economically viable.

## **12. Net asset value**

The net asset value per Share of each Share Class in the Sub-Fund will be determined as of each day which is a Business Day (a 'Valuation Day') in the applicable Share Class currency. 'Business Day' means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in Luxembourg, London and/or such days as the Board of Directors shall from time to time determine. Following any determination as aforesaid, and for the avoidance of doubt, the Board of Directors will from time to time publish a dealing calendar on [www.man.com](http://www.man.com) which will set out the Sub-Fund's annual Business Days.

## **13. Subscriptions and redemptions**

Subscription and redemption applications (the 'Orders') can be made for a number of Shares or cash amounts equal to or greater than the minimum investment as further described below under the heading 'Minimum investment'. In the case of direct subscriptions by private individuals Orders may only be for cash amounts; orders for a number of Shares, instead of cash amount, will not be accepted.

Special terms apply for share classes denominated in CNY (if applicable). Subscriptions and redemptions of those share classes are settled in EUR. Orders for cash amounts for share classes denominated in CNY shall be made in EUR.

The issue price shall be the net asset value per Share as per the Valuation Day immediately preceding the relevant Dealing Day determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section of the general part of the Prospectus, plus a sales commission of up to 5% of the net asset value per share which is payable to the distribution agent in relation to subscriptions.

The redemption price shall be the net asset value per Share as per the Valuation Day immediately preceding the relevant Dealing Day determined in accordance with the principles set out in the 'Calculation of the net asset value of Shares' section of the general part of the Prospectus. The redemption price shall be paid out within three Business Days of the Dealing Day at the latest.

For the redemption price of shares of a Dividend Share Class special terms apply. The redemption price for shares of a Dividend Share Class is subject to the deduction of redemption fees as per the schedule below, calculated in relation to the initial issue price, which are deducted from the redemption proceeds. The redemption fee is charged in order to compensate the marketing advisor for upfront distribution costs.

Share of a Dividend Share Class of GLG Flexible Bond Fund redeemed on a Valuation Day, which has been in issue during	Redemption Fee Amount
Year one to year three	up to 2%
Year four	up to 1%

There will be no redemption fee imposed on a share of a Dividend Share Class which is redeemed after it has been in issue for more than four years.

As the Sub-Fund is open for investment on every Business Day, Shares in the relevant Share Class in the Sub-Fund may be subscribed for or redeemed on each Valuation Day, with the exception of Dividend Share Classes as described above.

Orders need to be received by the Registrar and Transfer Agent on a Valuation Day prior to the Cut-off Time in order for such orders to be processed for the immediately following Dealing Day. Orders received by the Registrar and Transfer Agent after the applicable Cut-off Time on a Valuation Day shall be deemed to be received on the next following Valuation Day and will be processed on the next following Dealing Day.

The standard settlement period for subscriptions and redemption is within three Business Days following the relevant Dealing Day. In the case of direct subscriptions private individual investors must provide cleared funds to be received by the Custodian no later than on the relevant Valuation Day prior to the Cut-off Time. Full payment instructions may be obtained through the Registrar and Transfer Agent.

When subscribing, investors must make payment in the currency of the relevant Share Class save for share classes denominated in CNY (if applicable). Payments for share classes denominated in CNY must be made in EUR. In addition, investors may subscribe in another freely convertible currency. The Registrar and Transfer Agent will arrange for any necessary currency transaction to convert the subscription monies into the currency of the relevant Share Class. Any such currency transaction will be effected with the Registrar and Transfer Agent at the investor's risk and cost. Such currency exchange transactions may delay the subscription process.

No Shares will be issued or redeemed by the Sub-Fund during any period in which the calculation of the net asset value per Share is suspended. Orders made or pending during such suspension may be withdrawn by notice in writing received by the Registrar and Transfer Agent prior to the end of such suspension period. Orders that are not withdrawn will be considered on the first Dealing Day immediately following the end of such suspension period.

As provided for in the general part of the Prospectus, the Fund may resolve to redeem Shares of the Sub-Fund only when sufficient assets have been sold and the proceeds thereof have been received, in case of a large volume of redemption applications being received in respect of the Sub-Fund, having regard to the overall interests of shareholders of the Sub-Fund.

#### 14. Fees and expenses

Details of certain fees and expenses associated with an investment in the Sub-Fund may be found in the general part of the Prospectus. Thus, this section should be read in conjunction with the section headed 'Fees and Expenses' in the general part of the Prospectus.

### *Management fee*

A management fee equivalent to a rate p.a. in relation to the Share Classes as indicated below in Table 9: Share Classes of GLG Flexible Bond Fund (the 'Management Fee') shall be calculated prior to the deduction of the Management Fee, accrued as at each Valuation Day, and paid from the Net Sub-Fund Assets of the respective Share Class of the Sub-Fund. The Management Fee covers marketing advisory services of Man Investments AG, fees of distributors, and the investment services of the Investment Manager. The Management Fee will be paid monthly in arrears.

### *Performance fee*

No performance fee is charged.

### *Administrative and operating costs*

The aggregate fees and costs for the Sub-Fund (such as fees payable to the custodian bank and the Central Administrative Agent and Registrar and Transfer Agent) are, as of the Launch Date, expected not to exceed 0.30% per annum of the Net Sub-Fund Assets attributable to the Sub-Fund and may be significantly lower because such costs will vary as a function of the assets under management by the Sub-Fund and will decrease to the extent the Sub-Fund's assets grow in total value. For the avoidance of doubt, any other fee not attributable only to the Sub-Fund or taxes payable by the Sub-Fund or on any assets of the Sub-Fund are described separately under the heading 'Fees and Expenses' in the general part of this Prospectus.

## **15. Launch of the Sub-Fund**

The Sub-Fund shall be launched on 18 January 2013 (the 'Launch Date'). On the Launch Date, Shares of the 'Class MUS D236 GLG Flexible Bond Fund - USD Shares' and 'Class MUS I254 GLG Flexible Bond Fund - USD Shares' will be available for subscription by investors at a price (the 'Initial Issue Price') as set out in Table 9: Share Classes of GLG Flexible Bond Fund, plus a sales commission of up to 5% of the net asset value per Share, which is payable to the distribution agent. Subscription applications for the Launch Date should reach the Registrar and Transfer Agent by 12:00 p.m. (Luxembourg time) on 18 January 2013.

Following the Launch Date, the price to which Orders will be processed is the net asset value per Share of the relevant Share Class as per the relevant Valuation Day, plus a sales commission of up to 5% of the net asset value, which is payable to the distribution agent.

For 'Class MUS D266 GLG Flexible Bond Fund - USD Shares' special terms apply. Subscriptions will be accepted during an initial offer period from 28 January 2013 to 18 March 2013. Subscription applications should reach the Registrar and Transfer Agent by 10:00 p.m. (Luxembourg time) on 18 March 2013. The Board of Directors may decide to extend the initial offer period beyond 18 March 2013. In such case, investors who will have subscribed before 18 March 2013 will be notified accordingly.

As described above in the section 11 'Share classes', sub-section 'Dividend share classes', no subscriptions for 'Class MUS D266 GLG Flexible Bond Fund - USD Shares' will be accepted after the end of the initial offer period until the share class is opened again for subscription for a limited period of time as determined by the Board of Directors. An exemption to this will be made until 30 April 2013 for subscription commitments of switches from other fund products of the Man Group that have been received during the initial offer period, but whose redemption proceeds will not be available before the end of the initial offer period. Those committed subscriptions will be settled at the net asset value of the day on which the redemption proceeds become available (Valuation Day) and shares be issued accordingly. The Board of Directors may decide to extend this exception beyond 30 April 2013 for subscriptions committed during the initial offer period where redemption proceeds from switches from other fund products of the Man Group have not been made available before 30 April 2013.

## 16. Investor profile

The Sub-Fund is suitable for medium to long-term investors seeking risk-controlled returns. Given the high level of risk involved, the Sub-Fund is only suitable for investors able to sustain significant short-term loss and with a medium-term investment horizon.

**The past performance of this Sub-Fund should not be seen as an indication of future investment performance.**

## 17. Global exposure

In accordance with the Law of 2010 and the applicable regulations, including circulars and other publications of the CSSF and the European Securities and Markets Authority ('ESMA'), the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund. Calculation of global exposure

As part of this risk-management process, the global exposure of the Sub-Fund is measured and controlled by the absolute Value at Risk approach.

In financial mathematics and financial risk management, the Value at Risk ('**VaR**') is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the investment portfolio over the given time horizon exceeds this value (assuming normal market conditions and no trading in the investment portfolio) is the given probability level.

The Sub-Fund's VaR is limited by an absolute VaR calculated on the basis of the net asset value of the Sub-Fund and not exceeding a maximum VaR limit determined by the Management Company taking into account the investment policy and the risk profile of the Sub-Fund.

### *Leverage*

In addition to measure and control the global exposure of the Sub-Fund by the absolute Value at Risk approach, the Sub-Fund assesses the level of leverage generated by the use of financial derivative instruments in accordance with the Law of 2010 and the applicable regulations, including circulars and other publications of the CSSF and ESMA. The leverage calculated using the sum of the gross notional values of all financial derivative contracts will not exceed 500% of the net asset value of the Sub-Fund. Attention should be drawn to the fact that one derivative contract may partially or perfectly offset the market risk of another derivative contract. Derivative contracts may also reduce the risks associated with holdings in non-derivative products e.g. on shares and bonds. Disclosure of the gross notional value of derivatives is a requirement under UCITS laws and regulations, and as this measure does not allow for the netting just described, it does not necessarily represent the market risk incurred through the use of derivatives.

## 18. Minimum level for the Sub-Fund to be operated in an economically efficient manner

The Board of Directors may in its full discretion decide to introduce a minimum amount which is generally considered to be the minimum level for the Sub-Fund to be operated in an economically efficient manner.

## 19. Minimum amounts

The minimum investment amounts, minimum increment amounts for additional investments of existing Shareholders and minimum redemption amounts for each Share Class are set out below in Table 9: Share Classes of GLG Flexible Bond Fund.

The minimum investment and minimum redemption amounts are subject to the discretion of the Board of Directors as lesser amounts can be accepted. In case the value of a shareholder's investment has decreased to an amount below the minimum redemption amount shown in the table above, the Shareholder shall be entitled to redeem such lower amount in total.

Table 9: Share Classes of GLG Flexible Bond Fund

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Hedged?	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D230 GLG Flexible Bond Fund - EUR Shares</b>	LU0851819986			Accumulative	Hedged	Euro (EUR)	Dormant	n/a	EUR 1'000	EUR 1'000	EUR 1'000	up to 1.25%	Up to 5% of net asset value	EUR 100
<b>Class MUS D231 GLG Flexible Bond Fund - GBP Shares</b>	LU0851820059			Accumulative	Hedged	Pound sterling (GBP)	Dormant	n/a	GBP 1'000	GBP 1'000	GBP 1'000	up to 1.25%	Up to 5% of net asset value	GBP 100
<b>Class MUS D232 GLG Flexible Bond Fund - CHF Shares</b>	LU0851820133			Accumulative	Hedged	Swiss franc (CHF)	Dormant	n/a	CHF 1'000	CHF 1'000	CHF 1'000	up to 1.25%	Up to 5% of net asset value	CHF 100
<b>Class MUS D233 GLG Flexible Bond Fund - DKK Shares</b>	LU0851820216			Accumulative	Hedged	Danish Krone (DKK)	Dormant	n/a	DKK 10'000	DKK 10'000	DKK 10'000	up to 1.25%	Up to 5% of net asset value	DKK 100
<b>Class MUS D234 GLG Flexible Bond Fund - SEK Shares</b>	LU0851820307			Accumulative	Hedged	Swedish Krone (SEK)	Dormant	n/a	SEK 10'000	SEK 10'000	SEK 10'000	up to 1.25%	Up to 5% of net asset value	SEK 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Hedged?	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D235 GLG Flexible Bond Fund - NOK Shares</b>	LU0851820489			Accumulative	Hedged	Norwegian Krone (NOK)	Dormant	n/a	NOK 10'000	NOK 10'000	NOK 10'000	up to 1.25%	Up to 5% of net asset value	NOK 100
<b>Class MUS D236 GLG Flexible Bond Fund - USD Shares</b>	LU0851820562			Accumulative	Hedged	US dollar (USD)	Active	yes	USD 1'000	USD 1'000	USD 1'000	up to 1.25%	Up to 5% of net asset value	USD 100
<b>Class MUS D237 GLG Flexible Bond Fund - SGD Shares</b>	LU0851820646			Accumulative	Hedged	Singapore dollar (SGD)	Dormant	n/a	SGD 1'000	SGD 1'000	SGD 1'000	up to 1.25%	Up to 5% of net asset value	SGD 100
<b>Class MUS D238 GLG Flexible Bond Fund - PLN Shares</b>	LU0851820729			Accumulative	Hedged	Polish zloty (PLN)	Dormant	n/a	PLN 5'000	PLN 5'000	PLN 5'000	up to 1.25%	Up to 5% of net asset value	PLN 100
<b>Class MUS D239 GLG Flexible Bond Fund - EUR Shares</b>	LU0851820992			Income	Hedged	Euro (EUR)	Dormant	n/a	EUR 1'000	EUR 1'000	EUR 1'000	up to 1.25%	Up to 5% of net asset value	EUR 100
<b>Class MUS D240 GLG Flexible Bond Fund - GBP Shares</b>	LU0851821024			Income	Hedged	Pound sterling (GBP)	Dormant	n/a	GBP 1'000	GBP 1'000	GBP 1'000	up to 1.25%	Up to 5% of net asset value	GBP 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Hedged?	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D241 GLG Flexible Bond Fund - CHF Shares</b>	LU0851821297			Income	Hedged	Swiss franc (CHF)	Dormant	n/a	CHF 1'000	CHF 1'000	CHF 1'000	up to 1.25%	Up to 5% of net asset value	CHF 100
<b>Class MUS D242 GLG Flexible Bond Fund - DKK Shares</b>	LU0851821370			Income	Hedged	Danish Krone (DKK)	Dormant	n/a	DKK 10'000	DKK 10'000	DKK 10'000	up to 1.25%	Up to 5% of net asset value	DKK 100
<b>Class MUS D243 GLG Flexible Bond Fund - SEK Shares</b>	LU0851821453			Income	Hedged	Swedish Krone (SEK)	Dormant	n/a	SEK 10'000	SEK 10'000	SEK 10'000	up to 1.25%	Up to 5% of net asset value	SEK 100
<b>Class MUS D244 GLG Flexible Bond Fund - NOK Shares</b>	LU0851821537			Income	Hedged	Norwegian Krone (NOK)	Dormant	n/a	NOK 10'000	NOK 10'000	NOK 10'000	up to 1.25%	Up to 5% of net asset value	NOK 100
<b>Class MUS D245 GLG Flexible Bond Fund - USD Shares</b>	LU0851821610			Income	Hedged	US dollar (USD)	Dormant	n/a	USD 1'000	USD 1'000	USD 1'000	up to 1.25%	Up to 5% of net asset value	USD 100
<b>Class MUS D246 GLG Flexible Bond Fund - SGD Shares</b>	LU0851821701			Income	Hedged	Singapore dollar (SGD)	Dormant	n/a	SGD 1'000	SGD 1'000	SGD 1'000	up to 1.25%	Up to 5% of net asset value	SGD 100



Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Hedged?	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D247 GLG Flexible Bond Fund - PLN Shares</b>	LU0851821883			Income	Hedged	Polish zloty (PLN)	Dormant	n/a	PLN 5'000	PLN 5'000	PLN 5'000	up to 1.25%	Up to 5% of net asset value	PLN 100
<b>Class MUS I248 GLG Flexible Bond Fund - EUR Shares</b>	LU0851821966			Accumulative	Hedged	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 100'000	EUR 100'000	up to 0.6%	Up to 5% of net asset value	EUR 100
<b>Class MUS I249 GLG Flexible Bond Fund - GBP Shares</b>	LU0851822006			Accumulative	Hedged	Pound sterling (GBP)	Dormant	n/a	GBP 100'000	GBP 100'000	GBP 100'000	up to 0.6%	Up to 5% of net asset value	GBP 100
<b>Class MUS I250 GLG Flexible Bond Fund - CHF Shares</b>	LU0851822188			Accumulative	Hedged	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 100'000	CHF 100'000	up to 0.6%	Up to 5% of net asset value	CHF 100
<b>Class MUS I251 GLG Flexible Bond Fund - DKK Shares</b>	LU0851822261			Accumulative	Hedged	Danish Krone (DKK)	Dormant	n/a	DKK 1'000'000	DKK 1'000'000	DKK 1'000'000	up to 0.6%	Up to 5% of net asset value	DKK 100
<b>Class MUS I252 GLG Flexible Bond Fund - SEK Shares</b>	LU0851822345			Accumulative	Hedged	Swedish Krone (SEK)	Dormant	n/a	SEK 1'000'000	SEK 1'000'000	SEK 1'000'000	up to 0.6%	Up to 5% of net asset value	SEK 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Hedged?	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS I253 GLG Flexible Bond Fund - NOK Shares</b>	LU0851822428			Accumulative	Hedged	Norwegian Krone (NOK)	Dormant	n/a	NOK 1'000'000	NOK 1'000'000	NOK 1'000'000	up to 0.6%	Up to 5% of net asset value	NOK 100
<b>Class MUS I254 GLG Flexible Bond Fund - USD Shares</b>	LU0851822691			Accumulative	Hedged	US dollar (USD)	Active	yes	USD 100'000	USD 100'000	USD 100'000	up to 0.6%	Up to 5% of net asset value	USD 100
<b>Class MUS I255 GLG Flexible Bond Fund - SGD Shares</b>	LU0851822774			Accumulative	Hedged	Singapore dollar (SGD)	Dormant	n/a	SGD 100'000	SGD 100'000	SGD 100'000	up to 0.6%	Up to 5% of net asset value	SGD 100
<b>Class MUS I256 GLG Flexible Bond Fund - PLN Shares</b>	LU0851822857			Accumulative	Hedged	Polish zloty (PLN)	Dormant	n/a	PLN 500'000	PLN 500'000	PLN 500'000	up to 0.6%	Up to 5% of net asset value	PLN 100
<b>Class MUS I257 GLG Flexible Bond Fund - EUR Shares</b>	LU0851822931			Income	Hedged	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 100'000	EUR 100'000	up to 0.6%	Up to 5% of net asset value	EUR 100
<b>Class MUS I258 GLG Flexible Bond Fund - GBP Shares</b>	LU0851823079			Income	Hedged	Pound sterling (GBP)	Dormant	n/a	GBP 100'000	GBP 100'000	GBP 100'000	up to 0.6%	Up to 5% of net asset value	GBP 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Hedged?	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS I259 GLG Flexible Bond Fund - CHF Shares</b>	LU0851823152			Income	Hedged	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 100'000	CHF 100'000	up to 0.6%	Up to 5% of net asset value	CHF 100
<b>Class MUS I260 GLG Flexible Bond Fund - DKK Shares</b>	LU0851823236			Income	Hedged	Danish Krone (DKK)	Dormant	n/a	DKK 1'000'000	DKK 1'000'000	DKK 1'000'000	up to 0.6%	Up to 5% of net asset value	DKK 100
<b>Class MUS I261 GLG Flexible Bond Fund - SEK Shares</b>	LU0851823319			Income	Hedged	Swedish Krone (SEK)	Dormant	n/a	SEK 1'000'000	SEK 1'000'000	SEK 1'000'000	up to 0.6%	Up to 5% of net asset value	SEK 100
<b>Class MUS I262 GLG Flexible Bond Fund - NOK Shares</b>	LU0851823400			Income	Hedged	Norwegian Krone (NOK)	Dormant	n/a	NOK 1'000'000	NOK 1'000'000	NOK 1'000'000	up to 0.6%	Up to 5% of net asset value	NOK 100
<b>Class MUS I263 GLG Flexible Bond Fund - USD Shares</b>	LU0851823582			Income	Hedged	US dollar (USD)	Dormant	n/a	USD 100'000	USD 100'000	USD 100'000	up to 0.6%	Up to 5% of net asset value	USD 100
<b>Class MUS I264 GLG Flexible Bond Fund - SGD Shares</b>	LU0851823665			Income	Hedged	Singapore dollar (SGD)	Dormant	n/a	SGD 100'000	SGD 100'000	SGD 100'000	up to 0.6%	Up to 5% of net asset value	SGD 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Hedged?	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS I265 GLG Flexible Bond Fund - PLN Shares</b>	LU0851823749			Income	Hedged	Polish zloty (PLN)	Dormant	n/a	PLN 500'000	PLN 500'000	PLN 500'000	up to 0.6%	Up to 5% of net asset value	PLN 100
<b>Class MUS D266 GLG Flexible Bond Fund - USD Shares</b>	LU0851823822			Dividend	Hedged	US dollar (USD)	Active	yes	USD 50'000	USD 1	USD 10'000	up to 1.75%	Up to 5% of net asset value	USD 1
<b>Class MUS D267 GLG Flexible Bond Fund - EUR Shares</b>	LU0851824044			Dividend	Hedged	Euro (EUR)	Dormant	n/a	EUR 50'000	EUR 1	EUR 10'000	up to 1.75	Up to 5% of net asset value	EUR 100
<b>Class MUS D268 GLG Flexible Bond Fund - CHF Shares</b>	LU0851824127			Dividend	Hedged	Swiss franc (CHF)	Dormant	n/a	CHF 50'000	CHF 1	CHF 10'000	up to 1.75%	Up to 5% of net asset value	CHF 100
<b>Class MUS D269 GLG Flexible Bond Fund - USD Shares</b>	LU0851824390			Accumulative	Hedged	US dollar (USD)	Dormant	n/a	USD 100'000	USD 100'000	USD 100'000	up to 0.6%	Up to 5% of net asset value	USD 100
<b>Class MUS D270 GLG Flexible Bond Fund - CHF Shares</b>	LU0851824473			Accumulative	Hedged	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 100'000	CHF 100'000	up to 0.6%	Up to 5% of net asset value	CHF 100

Share Class	ISIN Code	Swiss Securities Number (Telekurs)	German Security Identification Number	Accumulative or Income or Dividend Share Class	Hedged?	Denomination Currency	Status	Listed? Yes/No	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Redemption Amount	Management Fee	Sales commission	Initial Issue Price
<b>Class MUS D271 GLG Flexible Bond Fund - EUR Shares</b>	LU0851824556			Accumulative	Hedged	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 100'000	EUR 100'000	up to 0.6%	Up to 5% of net asset value	EUR 100
<b>Class MUS D272 GLG Flexible Bond Fund - GBP Shares</b>	LU0851824630			Accumulative	Hedged	Pound sterling (GBP)	Dormant	n/a	GBP 100'000	GBP 100'000	GBP 100'000	up to 0.6%	Up to 5% of net asset value	GBP 100
<b>Class MUS D273 GLG Flexible Bond Fund - USD Shares</b>	LU0851824713			Income	Hedged	US dollar (USD)	Dormant	n/a	USD 100'000	USD 100'000	USD 100'000	up to 0.6%	Up to 5% of net asset value	USD 100
<b>Class MUS D274 GLG Flexible Bond Fund - CHF Shares</b>	LU0851824804			Income	Hedged	Swiss franc (CHF)	Dormant	n/a	CHF 100'000	CHF 100'000	CHF 100'000	up to 0.6%	Up to 5% of net asset value	CHF 100
<b>Class MUS D275 GLG Flexible Bond Fund - EUR Shares</b>	LU0851824986			Income	Hedged	Euro (EUR)	Dormant	n/a	EUR 100'000	EUR 100'000	EUR 100'000	up to 0.6%	Up to 5% of net asset value	EUR 100
<b>Class MUS D276 GLG Flexible Bond Fund - GBP Shares</b>	LU0851828623			Income	Hedged	Pound sterling (GBP)	Dormant	n/a	GBP 100'000	GBP 100'000	GBP 100'000	up to 0.6%	Up to 5% of net asset value	GBP 100